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**ROLE OF CULTURAL INTELLIGENCE AND -EXPERIENCE IN  
MULTICULTURAL TEAMS**

Impact on conflict, trust and knowledge share

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Role of cultural intelligence and -experience in multicultural teams. Impact on conflict, trust and knowledge share

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**ABSTRACT**

This Master's thesis study examines how cultural experience (CE) and cultural intelligence (CQ) influence multicultural team behaviour, more specifically their influence on conflict, trust and knowledge share. Due to rapid globalisation, multicultural teams are increasingly more common in companies, and the need for culturally competent employees is growing. The study's main objective is to recognise how CQ and CE affect individuals' perception on the three aspects in multicultural teams. Cultural intelligence is one's ability to behave effectively in an unfamiliar cultural context. The main research utilised in the study is the four factor model of cultural intelligence. Cultural experiences role in CQ development is essential, and the two concepts are interconnected.

The study uses a mixed method approach in the data collection. Main source of data is discussions from semi-structured theme interviews, which are supported by quantitative questionnaire. The qualitative data is analysed by content analysis. The qualitative research seeks to build a framework of understanding on the connection of key concepts.

The study results suggest that CQ and CE have mainly a positive influence on conflict, trust and knowledge share. For conflict and trust the connection is more evident than for knowledge share. The findings also show that cultural intelligence is uniquely constructed and cultural experiences influence its formation. In addition, the three aspects are interconnected and the experience of one can affect the perception of the other.

The study shows that individuals are able to construct relatively high cultural intelligence. The study suggests that individuals' with international education have the potential to create similar level of CQ as those with extensive international work experience.

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**KEYWORDS:** Cultural intelligence, Cultural experience, Multicultural teams, Conflict, Trust, Knowledge share





# 1. INTRODUCTION

This Master's thesis will discuss the role of cultural intelligence and cultural experiences in a multicultural group context and whether it affects three aspects of teamwork: conflict, trust and knowledge share. Multicultural teams are the context from which the other aspects are reviewed through. Cultural experience (CE) and cultural intelligence (CQ) are discussed as separate concepts, even though the matters are somewhat interconnected. This main chapter will first discuss the background of the study, along with the research gap. Secondly the research questions, objectives and limitations of the study are presented. Lastly before moving to the literature review, the structure of the study is introduced.

## 1.1 Background and justification of the study

### *Cultural knowledge as competitive advantage*

Globalisation affects most companies and a large amount of today's workforce. There is a growing need for employees and managers with global competencies in the labour market (Panda & Panda, 2013). People with global competencies are needed for example expatriate positions, leading multicultural teams or acting as expert consultants. More often these individuals are recruited in-house and have worked for the company for years. Having an understanding of functioning in a multicultural setting is a valuable resource for firms. Globally competent employees will bring a competitive advantage to the company and having these assets can secure firms profit for long-term. (Ng, Van Dyne, & Ang, 2009) Recognising, recruiting and training these individuals is time consuming and a demanding task. Managers have a challenge in identifying global talent or training the specific ones with potential for global competencies. (Lane, Maznevski, DiStefano & Dietz, 2009:11).

Due to globalisation, companies are increasingly operating in a knowledge based competitive environment. When accumulated knowledge is the competitive advantage, the organisational capability as a whole is reliant to it, states Grant (1996). Moreover, cultural knowledge is beginning to be the key factor in companies' competitive position. Grant states that knowledge in general affects all areas of organisational operations. Lenartowicz, Johnson and Konopaske (2014) present that cultural knowledge creation will ultimately

help to create global competitive advantage. They propose that companies should invest in generating and transferring individuals' cultural knowledge, so it can be capitalised on an organisational level. Cultural diversity is increasing in the workplace and companies recruit people from multiple nationalities. Instead of having the outlook that employees acquire knowledge through work, companies should recognise that employees may possess cultural knowledge from the very beginning. When employees are recruited from different countries they have specific knowledge of their own culture. Also, having international education can increase cultural knowledge, even if work experience is limited.

### *Multicultural teams (MCT)*

Since companies need to work in a global context, multicultural teams are beginning to be the new norm at the workplace. Multicultural teams are described to have people from three or more nationalities, who work together towards a common goal. Teamwork and collective intelligence has been increasingly approved to be an efficient working style. Multicultural teams allow individuals to tap into their specific constructed knowledge and modify it together. Issues are looked from several points of view and behaviour models are questioned more. (Lovelace, Shapiro & Weingart, 2001; Watson, Kumar & Michaelsen, 1993.) Though some scholars argue that multicultural teams have more potential to be more successful than homogenous groups (groups with only one nationality), the research on multicultural team efficiency is still somewhat contradictive. Some studies state that MCT's outperform homogenous groups, however in many cases multicultural teams raise unsolved issues and may delay the work (Moon, 2013). Cultural differences can often be extremely hidden and subtle. Usually it is difficult to determine whether behaviour is a question of personality or culture, since cultures influence is so extensive.

Multicultural teams can be more effective and creative if they can work without conflict. High diversity however sometimes creates more negativity within a group if not handled correctly. (Daly, 1996.) Common complications in multicultural teams are decision making, indirect communication, trust and interacting with authority (Brett, Behfar & Kern, 2006.) To avoid these complications, selecting the 'right' employees can be difficult. Employee competency for multicultural positions is often measured with work experience, knowledge of a specific country culture and specific personality attributes (Downes, Varner & Musinski, 2007). Moreover, employees with global mind-set are seen as a valuable

resource. This is because having a global mind-set when interacting in new situations will reduce the misunderstandings because people are more willing to understand the others point of view and way of thinking. Lane et al., (2009:24) define global mind-set as “the ability to see the world differently than one has been conditioned to understand it”. There has been a shift in the literature from global mind-set into cultural intelligence. This topic will be introduced later on in this chapter.

### *Issues facing multicultural teams*

In today's work, team members can be from multiple cultures and may even locate in different countries. Conflict in the workplace is an issue that nearly everyone comes across at some point in their working life. Dekker, Rutte and Van den Berg (2008) describe that conflict situations take place when someone behaves unexpectedly or understandably. Interacting on daily basis with people from different backgrounds often create struggles. Adding cultural behaviour to daily matters raises the issues even more. When there is no cultural context individuals will read the situation as it is familiar to them. People will not usually explain their behaviour if they find it to be the norm. People are affected by their culture to an extent where they might not even realise it, before interacting with other nationalities. However cultural differences can be beneficial to the team if differences in behaviour are allowed. According to Dekker, Rutte and Van den Berg (2008) if all team members adapt the groups dominant culture and integrate to it, the full potential of a multicultural team is lost. Only way to function successfully is to respect and take into consideration everyone's culture, which is difficult if behaviour is not understood or openly discussed.

Conflict in multicultural teams is often blamed on miscommunication due to language issues. However, more often the misunderstandings are caused by nonverbal gestures. Implicit communication is extremely culture bound, therefore it is often forgotten that not all use the gestures similarly or they have different meanings to them. Interpreting gestures the wrong way will often lead to conflict if the behaviour is considered to be rude. (Meyer, 2015; Molinsky, Krabbenhoft, Ambady & Choi, 2005.) Communicating effectively is important because teams draw their performance from collective input in the work tasks. When there is no sharing of knowledge, information or expertise, the teams face issues in efficiency, performance and group cohesion. (Chiu, Hsu, & Wang, 2006.) Loosing group

cohesion is also a serious issue for trust formation and maintenance. Having people in one team with different cultural backgrounds can divide the group and create us versus them dilemma. When cross-cultural situations are new or uncomfortable people have a tendency to pair with cultures similar to own. This hinders the creations of interpersonal relations, if some team members are seen threatening or different. (Schreiber, 1996.)

### *Cultural intelligence and cultural experience*

There are various perspectives on multicultural team efficiency and performance, but the reason for the differences is not yet widely researched. One variable in the differences of multicultural team success is cultural intelligence. Cultural intelligence (CQ) is individuals' ability to adjust the pre-learned cultural knowledge to new situations. Cultural intelligence is adopted, constructed and structured by an individual from interacting in cross-cultural situations (Earley & Ang, 2003:59.) Cultural intelligence is relatively new concept, but its importance in modern work is being recognised (Thomas, Liao, Aycan, Cerdin, Pekerti, Ravlin & van de Vijver, 2015). Though CQ is quite new in its current conceptualisation, the role of cultural experiences in global work has been acknowledged to have an impact in forming global mind-set. (Lane et al., 2009.) Cultural experiences are gained by interacting with other cultures, by either travelling abroad or through home internationalisation. Today there are many opportunities for interacting with people from different cultures, but learning from those experiences is not a given. If new information is successfully processed as cultural knowledge, there is a possibility to enhance cultural intelligence as well. (Brislin, Worthley & Macnab, 2006.) Cultural intelligence and cultural experiences are connected, though they can also be seen as two separate concepts.

Cultural intelligence in business studies is often linked to expatriate adaptation and success. (Moon, 2013.) In addition, overseas investments and expatriate affiliation tend to fail due to the lack of cultural intelligence, remarks Goodman (2012). CQ's effect in multicultural team context is not yet fully understood but its influence is increasingly being recognised as CQ affects employee performance, adjustment and success of a multicultural task (Wu & Ang, 2011). Cultural intelligence in this context is specifically meant to describe an individual's understanding of various cultural situations. CQ is not referring to one culture having superiority over another. There are studies about cultural intelligence in

multicultural team context; however the matter is not overly researched. The topic is therefore relevant for a Master's Thesis

### *Concluding remarks*

This thesis study can be beneficial for companies who try to determine what issues their recruitment process should focus on. Identifying individuals with high CQ could benefit the company quite quickly if teamwork can be done more efficiently and with fewer conflicts. It would also give an idea on who in-house would be suitable for work assignments abroad. It is often thought that managerial positions can be given only to employees with proper amount of work experience. However management is more interaction with people than it is focusing on a specific work task. If CQ enhances the behaviour in multicultural context, younger or newer employees could also be trusted with overseas assignments, if they have proper level of CQ. This would help the firms to recruit people for example for expatriate positions, since there would be more workforce with the potential to succeed in it. As Miriam, Alon, Raveh, Ella, Rikki and Efrat (2013) point out, education does not focus enough on preparing the students for global challenges. Business students should begin to construct their cultural intelligence already during their studies and create skills that the employers lack off. Recognising the importance of cultural intelligence and cultural experience could benefit business schools in creating their programme structures.

### 1.2 Research questions, objectives and limitations

The aim of this research is to study multicultural teams and determine if cultural intelligence and/or cultural experience has a role in perception of team behaviour. The team behaviour is contemplated from three different perspectives: conflict, trust and knowledge share. The reason for choosing these three concepts is due to the literature on multicultural teams. These three aspects are the most commonly contemplated issues in multicultural team behaviour, success and efficiency.

The thesis will concentrate on the individual's perception of the three aspects, without focusing on whether the situations actually took place or not. This approach is taken because it will help to determine if an individual experiences situations in a specific way,

depending on their cultural intelligence or cultural experience. Perception is linked to each person's own unique way of thinking. Bartlett and Davidsson (2003:41) define perception as "the process of creating meaning based on experiences". Meaning that each interpretation of a same situation is unique. In addition, they state that cultural background affects our perception equally much as personal experiences. Perception is an ongoing process that can change as person develops and has new experiences. The multicultural team aspect is the foundation of the study, and cultural intelligence and cultural experience are the key concepts. Their possible effect to the three aspects of multicultural team behaviour is the main point of this Master's thesis. Therefore, the research question is the following:

***Research question:***

*How does cultural intelligence and cultural experience influence three aspects of multicultural team behaviour?*

Cultural intelligence and cultural experience are discussed as separate matters, though later on the literature review discusses how they are interconnected. The objective of the study is to review how individuals perceive the situations of conflict, trust and knowledge share in a multicultural team. Also, how cultural intelligence and cultural experience influences individuals perception on those matters, is attempted to understand. The objectives have one general concept and three sub-concepts in order to elucidate the study and to clarify the three aspects of conflict, trust and knowledge share.

**Objectives:**

- 1 How cultural intelligence and cultural experience affect individual's behaviour in a multicultural team.
  - a) How CQ and CE affect perception of conflict in a multicultural team
  - b) How CQ and CE affect perception of trust in a multicultural team
  - c) How CQ and CE affect perception of knowledge share in a multicultural team

The master's thesis is limited to concentrate on the perception of an individual. This limitation is because to determine if certain aspects have in fact occurred in the team, one would need to study that specific team more intensely and discuss the managers' standpoint

as well. And since the connection of CQ and CE is more important, the decision to interview individuals was made. The thesis is limited also due to the amount of concepts, and the manifold aspects of them. Each concept cannot be reflected from all points of view, so emphasis on the most evident aspects is chosen.

### 1.3 Structure of the study

The thesis is formed by five parts, the first part being the introduction of the thesis. The second part is the literature review, which determines the theoretical framework. The third part is the chosen methodology, fourth the empirical findings and the last part is topic conclusion. Main chapters from two to five are the literature review of the thesis. The first one (chapter two) introduces the aspect of multicultural teams. Concepts of conflict trust and knowledge share within a multicultural team context are discussed in the three sub-sections. The three aspects affect each other to an extent which is presented in the literature review. Chapter three reviews the concept of cultural intelligence. First a theoretical review on the CQ conceptualisation and its formation is presented. Then the four factors of cultural intelligence are recognised as a key theory and its effect discussed throughout the literature review. Lastly, chapter three discusses the measurement of cultural intelligence and how CQ is accumulated and developed is reviewed.

Chapter four discusses the concept of cultural experience. Though the concept is central in the thesis study, the theory part of the matter is not as extensive as cultural intelligence. This is due to two issues. Cultural intelligence is a key concept in the study and due to its complexity more emphasis is done on its literature review. Also, the literature on cultural experience alone is not extensive. Chapter five is the last chapter of the literature review. It discusses the core of the study, which is the effect of cultural intelligence and cultural experience in a multicultural team. The three aspects (conflict, trust, knowledge share) and the possible effect of CQ and CE are presented in the sub-chapters. Also the six hypotheses are presented under each sub-chapter. Chapter six presents the methodology of the Master's thesis. First the selected research approach and research method are presented. Then the chapter discusses the data collection, its analysis and lastly the reliability and validity of the thesis study. Main chapter seven discusses the data results and presents the empirical



findings. Chapter eight is the conclusion of the study, in which theoretical contributions, limitations, managerial implications and further research is presented.

## 2. MULTICULTURAL TEAMS

This main chapter first introduces the concept of multicultural teams (MCT), which is the base of the thesis' study. Then three aspects of multicultural team behaviour are discussed; conflict, trust and knowledge share. Each aspect and their relation to multicultural team are introduced based on literature and reviewed from various views. The topic of MCT's is researched for decades now and the literature on it is extensive, but the findings are still somewhat inconsistent. Some studies state that high diversity often creates more problems within a team and forms unresolved conflict. Some scholars argue that multicultural teams are more efficient in problem solving, decision making and creativity, when compared to homogenous groups. The differences, problems and successes of multicultural teams are discussed, first from the point of view of conflict, then moving on to trust and lastly on knowledge share.

### 2.1 Concept of multicultural teams

Teamwork has played a role in education and professional working style for quite some time. Teams are selected on the purpose of having individuals with specific attributes or knowledge and having them working towards a common goal (Tomek, 2011). Due to rapid globalisation, diversity in the workplace began to increase and multicultural teams started to be more common. Dissimilarity between employees is valued more and more, thus multicultural teams became the new norm. Multicultural teams are characterised to be rich in experience, information and have mixed values and beliefs (Berg, 2012). MCT as a concept is a team where one person or more is from another country than the rest of the team members. Multicultural teams normally have three or more nationalities, and even if the majority of the team members are the same nationality, having few people with different cultural background characterises the team as multicultural one. (Tomek, 2011.) In addition to multicultural teams, there are many different types of teams, which indicate the cultural diversity in them, such as cross-cultural, global or transnational team. Though some of the terms are somewhat overlapping, in this thesis multicultural team is the discussed concept.

In addition to globalisation, MCT's are common due to complex needs in today's markets. Customers have increasingly different needs and managing elaborate work tasks is demanding for an individual. Multicultural teams are seen as a solution for external adaptation, customer relation management and effective internal solution making. People with diverse experience, beliefs and behaviour, bring complex perspectives together which makes it possible to understand them. Multicultural teams have potential to learn together and make decisions collectively since they have various views on a matter. Cultural differences can create more flexible decision making, since the views are challenged and looked from multiple perspectives. (Schneider & Barsoux, 2003:213-218.) For a multicultural team to function, team members should work in cohesion and communicate openly. To manage this, members should focus on common goals and co-operation, not individual performance. (Franz, 2012: 95; Daly, 1996.) Though multicultural teams are a solution to some needs in the workplace, it is still challenging to form them effectively. The next three chapters discuss three different aspects of MCT behaviour; conflict, trust and knowledge share.

## 2.2 Conflict in multicultural teams

The conflict aspect of multicultural teams is extensive and highly researched. Therefore in this thesis the topic is delimited to discussion on how culture affects it, why and how conflict emerges and what possible solutions are for preventing or ending it. Even though culturally diverse teams have high potential for productivity it can be revoked by team members perceiving too much conflict. However, it needs to be remembered that all teams may have issues beyond culture as well; "Even supposedly homogeneous teams can be dysfunctional due to factors such as personality differences" (Berg, 2012). Therefore in this chapter the conflict issues are specifically looked from the point of view of cultural differences.

For a multicultural team to perform well, team cohesion is desired. However, often team members can be in competition over resources, manager attention or advancement opportunities. This kind of competition can take place in all teams and when cultural differences are added, the tension between team members is higher. Team settings with two or more cultures can create us versus them dilemma. Employees often try to find others

with similar background, beliefs or attitudes and form an inner- group with them. People tend to be biased, own behaviour is considered to be natural and it is not recognised to be shaped by culture, which can create a negative view on someone's seemingly different behaviour. (Schreiber, 1996.) Employees need to understand their own cultural behaviour in order to grow and be able to read others actions in a more positive way. Forgetting national culture can be quite difficult and so many companies introduce corporate culture and to ease the differences between employees.

Conflict can also be seen as beneficial or inevitable for the group cohesion and high-quality outcomes, and as team cohesion is essential for efficiency, this point should be considered. Harris and Sherblom (1999:57-58) argue that this 'conflict phase' takes place after the initial group formation, once people are more comfortable with each other. This is when true opinions and views are showed and interpersonal relations begin to have a meaning. Harris and Sherblom suggest that it takes time for the conflict to emerge, but on the contrary Watson et al. (1993) argue that conflict will more often occur in the initial stage of group formation. Harris and Sherblom state that engaging in conflict constructively is beneficial and can be done once there is mutual respect and willingness for collaboration. If conflict is handled as a competitive situation or acting aggressive the outcome will hinder the group more, rather than creating enhanced relationships. The view is reliant on the suggestion that conflict will take place later on, once the interpersonal relations are stronger. However, if there is conflict already in the beginning of group formation, as Watson et al. propose, conflict will not necessarily hold any value for future outcomes. Conflict has many forms and it might relate to interpersonal issues or be work task related. When conflict is personal it is much harder to see it as constructive. Thus it is a possibility that regardless of the stage in group formation, conflict is always considered to be negative. (De Dreu & Weingart, 2003.) When this is the case, conflict hinders the teams' behaviour and relationships.

The contradictory views of Harris et al. and Watson et al. both have value when considering multicultural team conflict. However, what also needs to be taken into consideration is the cultural behaviour within a team. Some cultures have for example more direct communication style, while some take time to be able to discuss matters openly. This would mean that the stage when conflict emerges is bound to the individual cultures. For example Israeli's have a direct way of communicating, which others might read as hostile

behaviour. Japanese on the other hand value harmony and losing face by being aggressive is considered to be humiliating. (Brett et al., 2006.) It can be argued that if the dominant culture in a team is Israeli's culture, conflict might emerge more quickly if the direct communication is not understood. On the other hand, teams that have cultures which avoid conflict, getting to the conflict phase can take more time. Thus when conflict emerges it is not only a question of people being comfortable with each other, but how their cultural views steer them. In addition, the conflict phase might also rely on how much the team spends time together. If the interactions are low, team members might put off engaging in a conflict situation. (Stahl, Maznevski, Voigt & Jonsen, 2010.) However, low interactions also hinder the team cohesion, and might thus create unnecessary conflict.

Much like the conflict phase, studies on efficiency also point to the different stages in multicultural team development. Watson et al. (1993) studied that newly formed multicultural groups tend to be more inefficient, due to the adjustment period that people need to make when having to solve issues in a culturally diverse group. Their study argued that groups with one nationality succeed better in all test areas, when compared to multicultural groups. They stated that multicultural teams have potential to be highly efficient, but it takes time for the group to perform well. Also, Earley and Mosakowski (2000) studied that homogenous groups outperformed multicultural ones at first, when tested in performance and communication. However, later on groups with cultural diversity began improving their performance, while groups with one nationality stayed approximately same. Concluding from the two studies that multicultural teams have a 'learning curve' in becoming efficient, one could argue that Watson et al. (1993) view on the conflict phase is more correct than what Harris and Sherblom (1999) argued. If there is conflict already in the beginning, it is difficult for a team to perform well, thus needing time to adjust before becoming efficient. Though Harris and Sherblom's point is also valid in terms of team efficiency. If conflict takes place early in the group formation, mutual respect has not had time to develop. Therefore the conflict in the beginning hinders the team in the long run and this is also why it takes longer for multicultural teams to begin performing better than homogenous teams.

It is established that multicultural teams have a tendency to create conflict, but what are the reasons for it. According to Brett et al. (2006), there are four main barriers that multicultural teams often face; differences in direct and indirect communication, trouble

with language (accents, fluency), attitude towards hierarchy and various norms for decision making. Brett's first two points are purely on communication and the spoken language. Communicating in someone's second language is often demanding and may come across as uncertainty, decision avoidance or bluntness. Brett et al. suggests that the level of spoken language and the direct/indirect style of it is the biggest barrier in multicultural teams. Meyer (2015), on the other hand argues that conflicting views on implicit and explicit communication is the cause of trouble. Also Bartlett and Davidsson (2003:109) suggest that barriers in communication are due to body language and the unsaid message of words. Team members who both have the same mother tongue but are from different countries can still have trouble speaking in a similar way and understanding each other. So, it is not so much a question of language differences, but how the language is used in communication. Brett's last two points are in line with Hofstede's cultural dimensions (1980 & 1991). Hofstede's research showed that it is a key trait in cultures to respond differently to hierarchy. Also decision making is culturally bound, which often relates to whether the culture is collectivistic or individualistic.

### 2.3 Trust in multicultural teams

Trust can be a difficult concept to determine, since it is culturally bound. Oxford English Dictionary (2016) defines trust as "a firm belief in the reliability, truth, or ability of someone". The role of trust within each culture varies significantly and in multiple ways. The type of trust can be due to the nature of the culture, or a reaction to how a country works and how an individual can trust their government. Trust in the work place is important to ensure that all are working towards the same goals which benefit the company as a whole. Trust between team members becomes even more essential due to the shared work tasks: team members need each other to be able to do their job. To achieve trust one should first be open to others and willing to understand their motives and behaviour. Previous chapter discussed conflict, which is connected to the level of trust. Conflict has a direct negative effect on trust, signifying that teams which are high in conflict are usually low in trust. (Earley et al. 2000; Mockaitis, Rose & Zettinig, 2009.) Each person might be able to recognise that their take on trust is not exactly the same as others. Some might see trust as something absolute while others consider it to be flexible or variable, depending on

the situation. In addition to culture having an effect on perception of trust, personality and personal experiences influence it as well.

As discussed in the previous chapter (Schreiber, 1996), people often form groups inside the team to feel more comfortable. The groupings can also be due to trust issues between the lesser known cultures, who might behave in an unfamiliar way. When others motives for behaviour is not understood, it can create lack of trust. Trust issues, similarly to conflict, can emerge from misunderstandings and communication issues. Trust is culture bound and thus people with the same nationality might trust each other more easily and quicker. Arguably homogenous groups have less conflict than multicultural ones, and can therefore perform better. Also due to the tendency to group with similar people, trust is easier for homogenous teams than it is for multicultural ones. However, it is possible for a multicultural team to have nearly as high level of trust as a homogenous group. Some cultures take on trust can be similar or the two as a whole are not culturally very distant from each other. Therefore, trust in a multicultural team can be strong, considering that the cultures are mentally close to each other. (Cheng & Leung, 2013.)

When team members are culturally distant or there are several nationalities within a team, forming trust becomes more difficult. Building strong trust can take time, which companies do not always have. Frequent interactions between team members can enhance trust or make it stronger. When team members interact with each other they become more comfortable and learn to understand how someone behaves. Though differences between people become more evident when spending much time together, it does not necessarily hinder the interpersonal trust that is build. (Mockaitis et al, 2009.) Sometimes people trust each other very quickly, and the reasons for it are complex. Trust might be required by the situation or emerge from cultural background and personality. Trust can be also different things in the work place. Trust in someone's work expertise is different from trusting them with personal matters. The two can be separated or they might overlap if the person is unable to differentiate the aspects. Also, humans have a tendency to value first impressions and if trust is built in the early stages it can be more difficult to brake later on.

Creating trust has its barriers, and it is possible to fail while developing it. Teams also have the obstacle of losing the already built trust. Common reasons why trust is broken are unmet expectations, doubting capability or miscommunications. Trust means partly

depending on someone else and if a person does not follow through they disappoint the other. In some cultures promises are made more loosely. Fear of losing face is a key aspect for some cultures and therefore employees might agree on a deadline even though they know they will not be able to meet it. Having to say directly that something is not possible is more embarrassing than failing to meet the expectations later on. (Brett et al., 2006.) Yang, (2014) argues that accepting and being prepared for unmet expectations have a positive effect in maintaining trust. Acknowledging the possibility for disappointment and realising the differences in trust expectations, can allow a team to develop further.

## 2.4 Knowledge share in multicultural teams

As globalisation increases, companies face the challenge of creating sustainable competitive advantage in an environment where competitors have equal access to resources and technology. Global workforce has been recognised as a competitive advantage, given that employee's skills and abilities are able to put in use and shared. Knowledge based view of the firm offers a strategic model which utilises the expertise of employees. Capitalising from knowledge and forming it to competitive advantage is entirely reliant on the workforce. Multicultural teams can have high potential for unique knowledge formation, if their coordination, learning and communication are proven successful. (Stahl & Björkman, 2006:435.) Bandura's social cognitive theory (1986) gives insight to why people take part in knowledge sharing in the first place. People have a natural need to accumulate new information and create frameworks of understanding. Learning together is experienced as more reliable and if employees are open to challenging own views by sharing them, they can possibly gain more profitable information.

Stahl et al. (2006: 544), define knowledge share as a process of sharing information, skills or views. Two individuals can take part in knowledge sharing, but more commonly it is done as a group or community. Knowledge share in multicultural teams, similarly to conflict and trust, can be more difficult than in homogenous teams. Communication style is reliant on the cultural background, for example collectivistic cultures incline to knowledge share naturally, but have a hard time discussing openly with authority. Even though multicultural team members have interconnected work assignments, each member develops their own area of expertise. In this case the teams' efficacy relies more on knowledge share



and how it is distributed to the group. Knowledge share depends on how the team views itself and if there is enough team identity, distributing information can become more comfortable. (Chen & Lin, 2013.) For a multicultural team to form cohesion employees would need to let go from their national identity in order to create team identity. Losing it can be considered threatening and if the individual identity is kept, communication, co-operation and knowledge share is increasingly more difficult. (Schreiber, 1996.)

Having team members distribute information is not necessarily enough to create competitive advantage, since knowledge sharing should be done effectively and with few resources. Effective knowledge share should have a mixed method approach of having aspects of face-to-face communication, as well as sharing information electronically, in social gatherings or via documentation. Multicultural teams tend to have more implicit knowledge, which can be more beneficial to the team. However, implicit knowledge is more difficult to distribute effectively than explicit knowledge. (Berg, 2012.) So, even though multicultural team has high level of expertise, applying it can prove to be difficult. There are also other obstacles that MCT's face in trying to achieve effective knowledge sharing. Most common reasons why knowledge share fails are lack of management, organisational culture or scarcity in social networks. Also, differences in national culture and insufficient training cause barriers for knowledge sharing. For knowledge share to be successful organisations need a clear model for it and managers who are able to implement it. (Akhavan & Mahdi Hosseini, 2015; Sharma, Singh & Neha, 2012.) By encouraging open communication and building an atmosphere of trust, companies could help their employees to actively take part in knowledge sharing. Also, having guidelines for team knowledge share could benefit in indicating the benefits of shared information and expertise.

Cultural differences might be one obstacle in knowledge sharing, but they alone do not hinder the process. As Chen et al. suggested lack of team identity can have a negative effect on knowledge share. Similarly, Daly (1996) discusses the role of team integration, and that open discussion is a key aspect of the integration process. Meaning that knowledge share is required for group cohesion, and once it is achieved the process of sharing information becomes more efficient and easier. Cultural differences however, might slow down the process, due to the differences in communication. Knowledge can be also seen as an advantage, and as discussed in the chapter about conflict, team members can be in

competition with each other. Sharing own expertise could be seen as threatening, especially if the team suffers from conflict or has not achieved proper level of cohesion. On the contrary the difficulty in knowledge share might not be due to unwillingness, but merely a question of lack of skill to do it. Employees could be willing to share their knowledge, but are unsure how to do it or which information is relevant for the team. Managerial guidance and structure is important in this case.

Reflecting on the discussion of chapter two, it appears that the three concepts (conflict, trust and knowledge share) are somewhat interconnected when discussing multicultural team performance. Multicultural teams can be high in conflict due to the cultural diversity and the perceived conflict has a negative effect on trust. Without trust people do not actively nor voluntarily take part in knowledge share, since own work is being 'protected'. By gaining trust, conflict resolution is possible and moreover active knowledge share requires trust and lack of conflict. These aspects should be therefore enhanced to achieve more effective behaviour within a MCT. Later on, chapter five discusses how cultural intelligence and cultural experience may affect the three issues in a MCT context and possibly enhance them.

### 3. CULTURAL INTELLIGENCE

This chapter will introduce a key concept of the Master's thesis: Cultural Intelligence (CQ). First the concept and formation of cultural intelligence is introduced. Then a key model of CQ conceptualisation and its formation is discussed. The third sub-chapter presents what the measurement of CQ is based on, and actual examples of measuring it. After this, accumulation of cultural intelligence is discussed, and finally moving on to training and development of CQ. The first two chapters review the concept from a more theoretical point of view, whereas the other sub-chapters discuss also the implications for work context. The main research discussed throughout this thesis is Earley and Ang's 2003 publication on cultural intelligence. Their research is one of the first ones on cultural intelligence and the matter is largely conceptualised by them.

#### 3.1 Concept of cultural intelligence

For long now culture has been recognised to influence people's daily behaviour and therefore has been added to work context as well. Hofstede's cultural dimensions (1980 & 1991) are one of the most recognized cultural behaviour theories. The model recognises each culture to have six dimensions which explains their cultural behaviour. The dimensions can be used to observe others national cultures, but to also understand own culturally bound behaviour. Cultures influence is extensive; it affects our values, views, thinking and perception. People at the work place may have noticed that some are able to interact better than average in cross-cultural situations. Managers might have noticed that certain employees have specific attributes and skills that make them excel in a multicultural context. Though the concept of cultural intelligence is relatively new, these differences between people have been noticed and characterised as cross-cultural competencies. Cultural intelligence is one's ability to behave effectively in an unfamiliar cultural context, to interpret others seemingly different actions and mirror own behaviour to match it. Individuals construct it by interacting in various culturally diverse situations. In addition to cultural encounters, individuals own attitudes, openness and willingness to learn affects the formation of cultural intelligence. (Earley & Ang, 2003: 59; Earley & Mosakowski, 2004; Ang, Van Dyne, Koh, Ng, Templer, Tay, & Chandrasekar, 2007.)

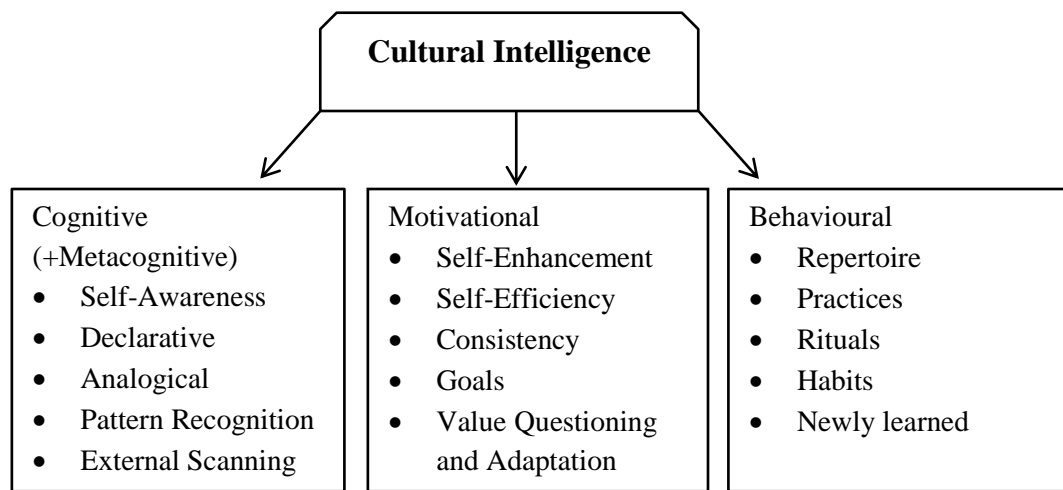
The concept of intelligence is extensively studied in many fields, and a key concept of it is the IQ (intelligent quotient). The IQ was developed for measuring intelligence, and has been later on revised to various scales for the needs of different groups. It was later on that social psychology began to consider the role and importance of intelligence in specific cultures or societies. In addition to cultural intelligence, intelligence has been distinguished to different forms, for example emotional intelligence (EI) and social intelligence. (Earley & Ang, 2003: 39-40.) The importance of the origin of intelligence conceptualisation and the varieties of it is useful for CQ understanding. The importance of emotional intelligence in work context, especially in human resource management, has been recognised. (Mayer, Salovey & Caruso, 2004.) Emotional intelligence is one's capability to understand others' reactions and the emotions behind them. EI also allows people to adjust their own emotional state to enhance the interaction they are in. In addition, social intelligence is the ability to use the EI in order to analyse situations and act accordingly. Both aspects of intelligence can be used to perform better and more effectively at work. (Emmerling & Boyatzis, 2012.)

Jonck and Swanepoel (2015), state that cultural and emotional intelligence are somewhat connected. Emotional intelligence assists to identify and express emotions and those with high EI might be able to better reject cultural bias, considering that they also have proper level of CQ. Emotional intelligence is considered to be important also in team situations, since employees need to interact with each other effectively. When interacting in a culturally familiar atmosphere, people who have high EI can relate to difficult situations more easily. However, if the cultural context is changed the interaction becomes more difficult. When there is no more familiar cultural context, having high social skills are no longer enough in a challenging situation. One would need to construct a framework to understand the situation, even though the cultural setting is new and critical information on behaviour might be missing. (Earley & Ang, 2003:61-62.) Therefore, cultural intelligence is needed to guide behaviour in an unfamiliar cultural setting.

### 3.2 Four factors of cultural intelligence

Cultural intelligence was first conceptualised by Earley and Ang (2003), and the concept is formed from the many different theoretical frameworks of intelligence. Cultural

intelligence is constructed from three components: cognitive, motivational and behavioural. The first aspect is usually divided into metacognitive and cognitive aspects, and thus the model is referred to as the four factor model of cultural intelligence. The three (four) factors of CQ and their elements can be seen from figure 1. The four factor model is most recognised in CQ literature, and other views on how CQ is constructed are linked to the model. Thomas (2006) states that CQ is composed of knowledge, mindfulness and behaviour, while Earley et al. (2004) recognise cultural intelligence to have cognitive, physical and emotional aspects.



**Figure 1.** Factors of Cultural Intelligence (Earley & Ang, 2003: 67).

*Metacognitive* cultural intelligence is individual's ability to be aware of the various cultural interactions and process the new information. Metacognitive aspect enables people to actively consider what is happening and question own culturally bound thinking. The critical awareness of what is happening, allows people to alter their actions for more desired outcomes. People with high metacognitive CQ first observe situations and then adjust their actions accordingly. This aspect is critical also because own views and behaviour is recognises to be culturally depended and not the norm. The *cognitive* aspect is more tangible and refers to knowledge of rules and practices of other cultures. These issues can be learned by studying them or through own cultural interactions. *Motivational* aspect indicates persons self-motives and their capability to have attention on cultural differences. The willingness to understand diverse cultural behaviour is needed in order to improve the

CQ. Motivation is usually translated into goal orientation and more successful outcomes. (Earley & Ang, 2003: 68-75; Ang & Van Dyne, 2008:17.)

*Behavioural* CQ is the competence to act in a verbal or non-verbal way that is custom to the specific cultural situation. Understanding communication and the implicit messages are essential in cross-cultural situations. The fourth aspect is the one that is most evident and can be seen by observing persons actions. The first three aspects contribute to the level of behavioural cultural intelligence. (Earley et al., 2003: 76-81; Ang et al., 2008:17.) Behaviour is the most evident of the four factors, since visible actions are what people normally react to the most. Nonetheless, the first three aspects are actually more important when it comes to attaining cultural intelligence. Behaviour is the most apparent aspect, but in a way it is also the most superficial one. People can mimic others behaviour without trying to understand or fully accept it. If the metacognitive, cognitive and motivational aspects are not considered crucial, CQ formation is not possible. This matter is discusses later in the accumulation of cultural intelligence- chapter.

### 3.3 Cultural intelligence measurements

Since cultural intelligence is important in many aspects of today's work, it is important to understand how people can develop their own CQ or how managers can evaluate employee's cultural knowledge. To better understand the concept of CQ one needs to know how to measure it. Earley and Ang's conceptualisation and the four factor model of CQ (metacognition, cognition, motivation, and behaviour) are the basis for the different scales which measure cultural intelligence (Earley et al. 2004; Ang et al. 2007; Ang et al. 2008: 16). Earley and Ang (2003:193-198) researched various cross-cultural assessment approaches to create an assessment method for cultural intelligence. Their research showed that many cross-cultural assessment models stated certain personality attributes that one would need for becoming culturally aware. They also recognised how these assessments are linked to the metacognition, cognition, motivation and behaviour factors of CQ. They concluded that CQ formation requires different kinds of attributes than what existing literature considers important in the cross-cultural competencies.

Earley and Mosakowski's (2004) model measures CQ in three different aspects: cognitive, physical and emotional. The three perspectives are very similar to Earley and Ang's (2003) aspects, though more simplified. Earley and Mosakowski consider that in order to succeed in various cultural contexts one would need to be strong in at least two of the areas. However, the three elements are interconnected and need one another to develop further. Brislin, et al., (2006) also note that people can have multiple types of intelligence and that the four factors of CQ need to be combined to achieve effective outcomes. Earley et al. model relies on self-observation, where a person reflects their own actions and thoughts. Knowledge and skills alone are challenging to measure, but in addition, the model needs to assess individual's motivation, attitudes and self-understanding, in order to estimate the level of CQ (Earley & Ang, 2003: 206).

Earley and Mosakowski recognise six different profiles of people with cultural intelligence: the provincial, analyst, natural, ambassador, mimic and chameleon. Each profile possesses attributes that give a different level of cultural intelligence. Estimating which level an employee has is important when deciding work tasks, training or management style. Earley and Mosakowski have four questions for each of their aspects (cognitive, physical and emotional), which need to be rated on a scale from 1 (strongly disagree) to 5 (strongly agree). Whereas Ang and Van Dyne (2008) have a more extensive measurement scale that includes the four factors of CQ. They measure the level of CQ by a range of questionnaire items, in which person needs to self-evaluate themselves on a scale from 1 (strongly disagree) to 7 (strongly agree).

The model is referred to as "*The Cultural Intelligence Scale (CQS)*" (Van Dyne: 2016) which can be seen from table two. In addition to the self-evaluation scale, Ang and Van Dyne created questionnaire where observer can rate others (2008: 27). Having a scale where CQ is not self-rated is necessary from a managerial perspective. This way managers can observe their employees and combine their evaluation to the self-ratings of CQ. Also, team members can evaluate each other, which can give an insight for individual behaviour in a multicultural team. By proposing this mixed method of measurement Ang and Van Dyne seek to minimise the possibility for bias.

CQ Factor	Questionnaire Items
Metacognitive CQ:	
MC1	I am conscious of the cultural knowledge I use when interacting with people with different cultural backgrounds.
MC2	I adjust my cultural knowledge as I interact with people from a culture that is unfamiliar to me.
MC3	I am conscious of the cultural knowledge I apply to cross-cultural interactions.
MC4	I check the accuracy of my cultural knowledge as I interact with people from different cultures.
Cognitive CQ:	
COG1	I know the legal and economic systems of other cultures.
COG2	I know the rules (e.g., vocabulary, grammar) of other languages.
COG3	I know the cultural values and religious beliefs of other cultures.
COG4	I know the marriage systems of other cultures.
COG5	I know the arts and crafts of other cultures.
COG6	I know the rules for expressing non-verbal behaviors in other cultures.
Motivational CQ:	
MOT1	I enjoy interacting with people from different cultures.
MOT2	I am confident that I can socialize with locals in a culture that is unfamiliar to me.
MOT3	I am sure I can deal with the stresses of adjusting to a culture that is new to me.
MOT4	I enjoy living in cultures that are unfamiliar to me.
MOT5	I am confident that I can get accustomed to the shopping conditions in a different culture.
Behavioral CQ:	
BEH1	I change my verbal behavior (e.g., accent, tone) when a cross-cultural interaction requires it.
BEH2	I use pause and silence differently to suit different cross-cultural situations.
BEH3	I vary the rate of my speaking when a cross-cultural situation requires it.
BEH4	I change my non-verbal behavior when a cross-cultural situation requires it.
BEH5	I alter my facial expressions when a cross-cultural interaction requires it.

**Table 1.** The 20-item, four factor cultural intelligence scale (Van Dyne, Ang & Koh, 2006).

Ang and Van Dyne's questionnaire is based on research on different kinds of intelligence and interviews of multiple executives with global work experience. Their model seeks to study CQ extensively from different point of views, without being too extensive and affecting the answers negatively. (Van Dyne, Ang & Koh, 2006.) Their model measures the four factors of cultural intelligence, whereas Earley and Mosakowski only include three and not differentiate the metacognitive and cognitive perspective. Ang et al. model propose a view where each factor is measured separately. This point is relevant due the nature of CQ constructions and the different levels of it. As cultural intelligence entails the four factors, one can be strong in one aspect and weaker in another. Thus measuring the elements independently gives a more realistic view of what type of cultural intelligence one has. Later on in the methodology chapter of the thesis, the choice of the CQ questionnaire is discussed through the two measurement models.



The difficulty in assessing persons cultural intelligence, based on Earley and Mosakowski's and Ang and Van Dyne's models, is that self-evaluation is quite bias. Key differences in self-evaluation are personality, age and the pre-learned knowledge of what is being measured. Some tend to rate themselves above average, while some might not esteem their skills and rate too low. (McPeck, Nichols, Classen & Breiner, 2011.) Thus it is important that Ang and Van Dyne created a model where the aspects can be observed by another party. If the scales are used for example to determine employees work assignments, the respondent could easily affect the measured level of their CQ, to receive a desired outcome. So the questionnaire items alone are not enough to measure person's cultural intelligence. Brislin et al. (2006) suggest that there are key traits that culturally intelligent people need. Disconfirmed expectancy and expectation for misunderstandings are in their opinion key traits. Expecting the cross-cultural situation to be new and possibly confusing, it gives an advantage for the person. If one is able to accept that they might not have all the information, they are more willing to wait to make any judgements or opinions of the interactions. This kind of attitude diminishes the possibility for conflict as well. Also Ang, et al. (2006), studied that certain personality traits correlate positively with particular aspects of the four factors of CQ. Suggesting that personality influences how people view the questionnaire items and moreover influences the separate parts of CQ.

### 3.4 Accumulating cultural intelligence

Cultural intelligence accumulation relies partly on individual's development of self-enhancement. Self-awareness is the first element of metacognitive CQ and thus the key when deciding which behaviour is most useful in new cultural situations. People have the potential to make the judgement of what kind of behaviour and reactions are favourable for specific situations, without someone telling them what is 'correct'. This way individuals can themselves develop their CQ further; by self-observing own performance. (Bandura 1986: 337; Chiu, et al., 2006.) Since motivation is the third aspect of CQ construct, one could argue that self-awareness alone is not enough to start the process of cultural intelligence accumulation. First people need to want to understand their own and others behaviour in order to manage in a cross-cultural situation. It is one thing to be aware of distinct cultural behaviour, but to choose to accept the differences and learn from them is more demanding. It can be easier to ignore the subtle cultural implications and simply

consider the matter to be odd or unpleasant, without processing the new information from the encounter.

As discussed in the previous chapter, emotional intelligence and cultural intelligence are somewhat connected. Lindebaum (2009) discusses some of the barriers that occur when expanding emotional intelligence. He argues that there are three main obstacles when improving one's emotional intelligence and that certain people have better chances in successfully overcoming those obstacles. He states that external guidance is not enough to create EI, but self-awareness and motivation are required. Concluding from the notion that EI is needed for CQ construction, Lindebaum's research supports the idea that the first step in accumulating cultural intelligence is the willingness and desire to do so. Thomas (2006) notes that a key aspect of CQ development is mindfulness. He argues that this aspect is the most important one CQ development as it links knowledge and behaviour together. Mindfulness begins from the willingness to adopt new perspectives and discard assumptions.

Cultural intelligence is often mentioned when speaking about expatriates and international assignments. Some researchers imply that employees who take part in such ventures should already possess a certain amount of cultural intelligence to be able to adjust better (Wu et al. 2011; Konanahalli, Oyedele, Spillane, Coates, Meding, & Ebohon, 2014). Others suggest that the experience gained from the culturally diverse assignments is what accumulates the CQ. (Lovvorn & Chen, 2011; Engle & Crowne, 2014). However, cultural experiences alone are not enough to gain CQ. As discussed before, personality and motivation affect how the new information is received and processed.

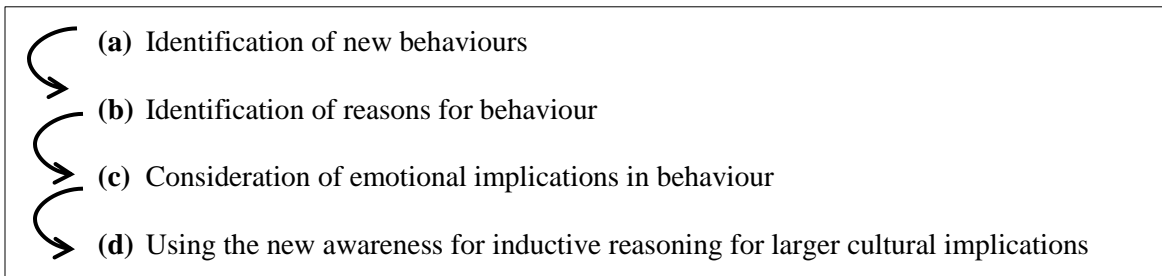
Earley and Ang (2003: 211-212) discuss that CQ has a direct connection in international assignment success. In addition, they note that there are different levels of CQ which may have an effect on how successfully the assignment is carried out. However, they recognise that CQ alone is not what affects the outcome. They state that personality, external factors and own culture influence the process, and that a person with low CQ could possibly perform as well as someone with high CQ. Also, it needs to be kept in mind that CQ is constructed by the four factors and having a high level in one of them could influence similarly as having an average level in all aspects. One ambiguous aspect of cultural intelligence accumulation is that can it be trained or do individuals need certain attributes to

be able to construct a framework in all four factors of CQ. This matter is discussed in the next chapter. It is fairly evident that cultural experiences affect the accumulation of CQ, the extent to which they affect it and how they are interconnected, will be discussed in chapter four.

### 3.5 Development and training of cultural intelligence

As the role of cultural intelligence in work performance is increasingly recognised, the possibility of developing and training it has emerged. If it is possible to guide employees' CQ creation, companies could tap into the potential of future global experts. Companies could possibly learn to recognise the level of CQ, and already assess person's skills in the recruitment process. Identifying people who possess CQ, could possibly enhance the multicultural team formations, and ensure less problems within the team. Moreover, companies could attempt to ensure that the recruited person is someone with potential for CQ development. Also, understanding how cultural intelligence could be developed can assist students to enhance their cross-cultural skills already during their studies, and become more attractive candidates in the labour market.

Brislin et al. (2006) present a four-step model for being culturally aware and understanding new diverse situations. Figure two indicates the process which includes aspects of behaviour, cognition, emotions and awareness. They consider that developing ones CQ is a step by step process, and by comprehending one aspect, person can move on to using those skills in the next part of the process. Earley and Ang's four factor model considers that people should review their behaviour as it is happening, but what Brislin et al. suggest, is thinking beforehand about the cross-cultural situation and actions in it. By assessing what kind of behaviour one might encounter, and the reasons for that behaviour, person will ultimately learn from those situations and this knowledge can be re-formed into cultural intelligence. Pre-evaluating the situation can also help to manage own emotions and reactions. This is especially important when the cultural differences are great and wrong behaviour could be insulting to the other party.

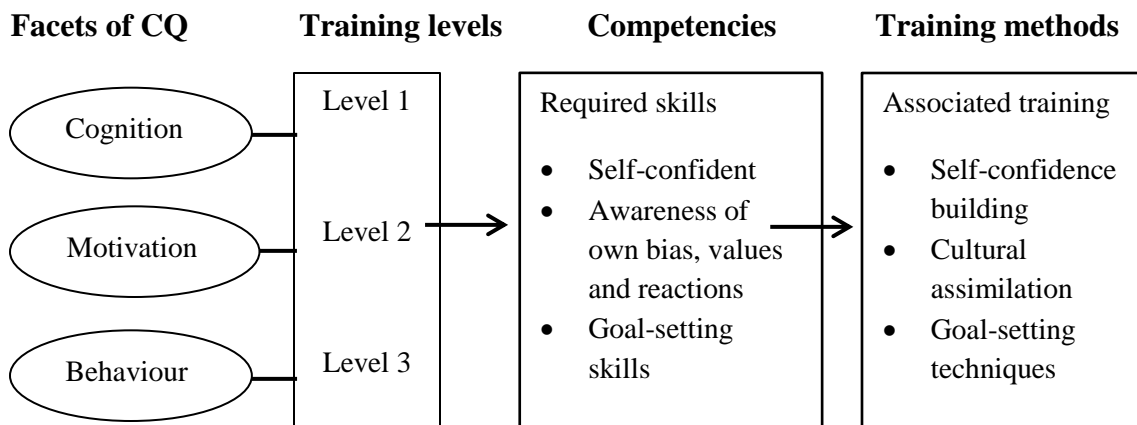


**Figure 2.** Four part process of cultural awareness and understanding (based on Brislin et al., 2006)

Brislin's model depends on individuals own actions and motivation for being prepared for a cross-cultural encounter. Motivation is a key component in CQ development and reliant on the person's willingness to learn and evolve. The more willing someone is to learn the higher is their motivation for self-development. If motivation can be assisted there is even greater possibility for CQ development. Brislin's four steps are equivalent to the four factor model of metacognition, cognition, motivation and behaviour. These factors are the base of the CQ conceptualisation and the CQ scale, thus they are also key part in many development models. Earley and Ang's (2003: 260-269) model for using the factors in CQ training is based on their research of cross-cultural training, programs and methods. Having a mixed-method approach to the construction of cultural intelligence can be effective. Cross-cultural competencies should be advanced by training and encouragement, for the outcomes to be better. Brislin et al. (2006) conclude that people with high CQ often possess multiple types of intelligence, such as social and emotional intelligence. Similarly Emmerling et al. (2012) propose that social intelligence and EI have a direct correlation to performance in multicultural environment. When cultural intelligence is developed properly it translates into cultural recognition, adaptation, consolidation and ability to utilise the skills from one cultural context to another.

To be able to develop CQ knowledge, cultural context is needed. Thomas (2006) identifies two types of knowledge which affect the CQ development; content and process knowledge. Content knowledge helps to build a framework of cultures while process knowledge is the understanding of what parts of behaviour does the culture influence. Process knowledge thus seeks to understand also own cultural bias. Much like other literature discussed before,

he also states that cognitive and motivational aspects affect the accumulation of cultural knowledge. And as seen from the four factor model, without cognitive and motivational knowledge, behaviour cannot be fully developed. The cognitive and motivational factors of CQ can however be trained. From a managerial point of view, employees can be helped to train their cognitive CQ by regulating the process with planning, monitoring and evaluating their development. By assigning clear work goals, creating environment for cross-cultural interaction and supporting positive interactions, managers can help to improve individual's motivation. (Earley & Ang, 2003:277, 282; Ng et al., 2009) Figure three indicates how the different factors of cultural intelligence can be trained and what is needed for their development. There are different levels of CQ which then determines the training level that is possible to carry out. The model suggests that to be able to train the CQ factors, person should possess specific attributes, which to some extent can be developed. Nevertheless, personality traits and cultural intelligence should be separated. Specific personality attributes and skills are useful in CQ development, but they explain how a person would behave in certain situations, whereas cultural intelligence allows people to make adjustments in their reactions across different cultures. (MacNab, 2012.)



**Figure 3.** Training methods and cultural intelligence (Earley and Ang 2003:276).

In management literature there are models for training cross-cultural competencies, but MacNab (2012) created a process which is specifically design to train cultural intelligence. He calls the theory “*experiential CQ education approach*” in which a group of participants take contact in culturally diverse situations. He divided the process into seven stages which

had three distinct parts; (1) preparing and being self-aware for the encounter, (2) taking part in a new cultural experience, and (3) reflecting the experience afterwards and sharing thoughts as a group with others who took part in the experience. This type of method could possibly help a team collectively develop their cultural intelligence and would take the pressure of managers to train each employee individually. As Brislin et al. (2006) suggested, being prepared for an upcoming cultural experience is important. MacNab's model took this into consideration, and made preparation and awareness the first step of the training. The experiential approach also emphasised reviewing the encounter afterwards and discussing it further with others, which can be an implication for managerial work. Though it is important to motivate and encourage employees to take part in culturally various situations, it is equally important to discuss the experiences afterwards. This way the information gained from the experience can be moulded into cultural intelligence and possibly applied in other cultural contexts.

Cultural intelligence is a vast concept, and since it is relatively new, researches have not yet been able to recognise all the aspects of it. One issue is the CQ formation, and what matters actually influence it. Literature discusses the formation through the four factor model, but what is missing are actual examples of CQ accumulation. Cultural experiences add to it, but a key aspect of CQ is the person's thinking, values and perceptions. Attaining these matters in a way which increases CQ is difficult to determine. Attitudes, opinions and views form overtime and once they are embedded they might be difficult to alter. Identifying the correct sources for effective cultural intelligence formation is not yet been done.

## 4. CULTURAL EXPERIENCE

As the previous chapter discussed factors of cultural intelligence, this chapter will discuss cultural experiences. The two concepts are somewhat related, as cultural experiences can be part of CQ accumulation. First the concept of cultural experience is introduced, secondly the connection it has to CQ, and later implication for work context are discussed. The matter of cultural experience is contemplated on the point of view that it benefits individuals cultural understanding and can therefore be utilised in multicultural team context.

Research on cultural experiences (later CE) alone is not extensive; the concept is often associated with globalisation, cross-culturalism and cultural intelligence. Perhaps the reason why there is not much research purely on cultural experiences is because cross-cultural encounters are beginning to be the norm, not only in the work place, but in everyday life. Yet the importance of cultural interactions cannot be overlooked. Studying about cultural customs is not the same as experiencing them. Though cultural experiences and cultural intelligence are two different concepts, they are somewhat interconnected. Cultural experience (or cross-cultural experience) in this context refers to the interaction between people from two or more regional cultures (sub-cultures included). Cultural experience can take place around own culture or in another country, when the experiences can be more intense. Cultural experience might be one situation or multiple ones. For example having dinner with people from an unfamiliar culture teaches much more than only what kind of food is preferred in that culture. It can show customs, beliefs or even cultural hierarchy.

The four factor model presented in chapter 3.2 indicates that the model can be used also to understand the cultural experiences and their connection to CQ. The cognitive aspect of cultural intelligence is partly formed by cross-cultural experiences. This is shown by Earley and Ang (2003: 272) who created a training model which determines the level of CQ. The model evaluates cultural interactions, by assessing the duration, intensity and formality of the encounter. The model considers actual cross-cultural encounters and not attitudes or views, meaning that they consider cultural experiences to be a key component in CQ formation. As discussed in chapter three, international experiences are considered to be an

important part of cultural intelligence development. However it needs to be noted that experiences alone do not create cultural intelligence, the formation also requires self-awareness, motivation for self-enhancement and ability to apply the skills in various cultural settings. Though cultural experiences are important for employees working in a multicultural environment, in this context CE is discussed more from the point of view of being a vital part of cultural intelligence. Nonetheless, making the separation of the two concepts is crucial, because people may have cultural experience, but for some reason it does not translate into cultural intelligence. Additionally CQ to some extent can be constructed without cultural experience. This separation of the two interconnected concepts is important especially in the data collection part.

Cultural experiences are gained from one on one interactions, social events or work assignments to name a few. Ng et al. (2009) propose that cultural experiences are a key matter in developing competent global leaders. Their development model is based on *experiential learning theory (ELT)* and how cultural intelligence affects it. They state that international assignments are the main way for developing global competence. However, they note that not all experiences are equally valuable nor can each individual learn the same amount from them. Also Lovvron and Chen (2011) state that there are vast differences between managers when it comes to international assignments. Some find them uncomfortable and fail in them, while others learn much from the experience. Cultural experience in international assignments offers a unique learning experience and cultural exposure, which otherwise might not be attained. Cultural experiences have the potential to give great knowledge which can be capitalised on in work context. Though learning from those experiences vary greatly between individuals due to personality, level of CQ or learning style. (Li, Mobley & Kelly, 2013.) Arguable negative cultural experiences hinder the learning process. People have a tendency to get defensive or close off when situations are unpleasant. However, negative cultural experiences could be valuable for learning if they are reviewed in a neutral way. Though this can be quite difficult, and would require great self-assurance or high motivation for understanding others behaviour.

The level of information received from a cultural experience is partly related to how similar the cultures are between each other. Contemplating on Hofstede's cultural dimensions (1980 & 1991) some national cultures have similarities with one another. Cultures can be similar in all of the six dimensions or only a few. When interacting with people whose

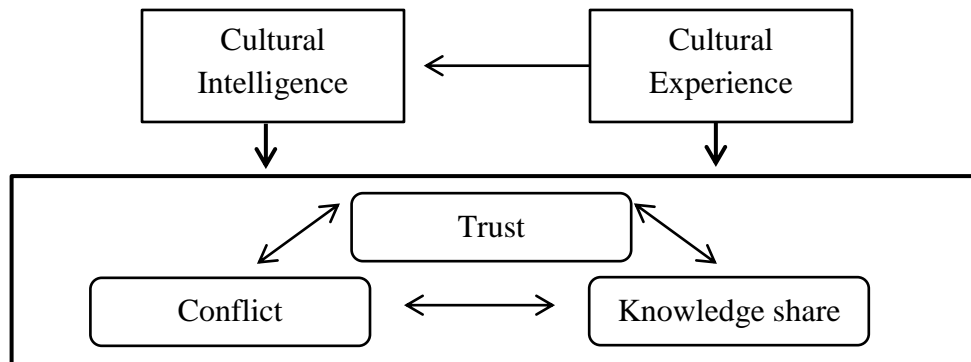


cultural distance is very far from own, it is possible to gain more knowledge of the encounter than from an experience which is close to own behaviour. Some countries may also have the same customs of beliefs, even if the cultural distance is great. Learning from the experience is partly influenced on how the person decides to experience it. If emphasis is on concentrating what things are not done similarly, it can be more consuming to try to learn from the experience. (Cheng et al., 2013.) Interacting with cultures which are mentally quite close to own, could enhance own cultural understanding. When the experience is not too different it allows individuals to reflect on the encounter. When the experience is very new and different it can feel uncomfortable or even frightening and thus contemplating on it in a positive way can be more demanding. However, it is often the case that situations which are considered 'normal' are not actively reflected. If the interaction is clearly different or new, people are more prone to review it later on. (Li et al., 2013.)

The metacognitive aspect also assists in processing the information from new experiences. Metacognitive aspect helps individuals to recognise the declarative information of an experience or interaction and later on use it in the behavioural aspects. (Ang & Van Dyne, 2008:17.) Learning comes from how the new information is put to use. When it is actively constructed, using it in own behaviour is more natural and takes less of an effort. The metacognitive aspect allows the information to be processed in a way that behaviour reflects the learned actions. In addition, the motivational aspect helps to attain the information in an effective way. Instead of receiving information, one should pull it to self, and actively receive the desired knowledge. (Templer, & Chandrasekar, 2006.) When discussing learning from new experiences, there is a distinct difference in cultural intelligence and cultural experience. Individuals who have cultural experience can utilise the information in the behavioural aspect when they are interacting with a person from that specific culture. Those with CQ can use the experience in the behavioural aspect in various cultural contexts by modifying the information to fit the situation.

## 5. IMPACT OF CULTURAL INTELLIGENCE AND CULTURAL EXPERIENCE IN MULTICULTURAL TEAMS

In this last chapter of the literature review, all of the previously discussed concepts are brought together and their possible effect on each other discussed. Cultural intelligence and cultural experience are reviewed as two different matters, but their connection is still recognised. The sub-chapters discuss the three aspects (conflict, trust, knowledge share) separately and the discussion always refers to multicultural team context. It is recognised that the three concepts are somewhat connected, but they are discussed separately to get a more clear view on how CQ and CE might affect them. Also, the six hypotheses are introduced in this chapter. To clarify the connection of the concepts in the thesis, figure four is proposed.



**Figure 4.** Connection of key concepts.

As discussed in chapter three and four, cultural intelligence and cultural experience are somewhat interconnected in the sense that cultural experiences are a part or CQ formation. Cultural experiences can add to the cultural intelligence but can also stay just as separate experiences. However, cultural intelligence is not studied to have an effect on cultural experiences. Of course CQ can make the cultural experience more pleasant or positive one, but experiences are a detached occurrence in general. Chapter two also concluded that the three concepts of trust, conflict and knowledge share are connected. Conflict negatively affects trust and knowledge share cannot be fully effective without trust. Conflict also can

affect how people engage in knowledge sharing. People might receive information but they might be sceptical of it or do not value its benefits, if the team suffers from conflict or trust issues. The effects of the concepts work both ways. Achieving to build trust can resolve conflict and engaging actively in knowledge share can create higher levels of trust. Based on the reviewed literature, effective knowledge share and good group cohesion will ultimately lead to multicultural team acting effectively and performing work tasks well. When discussing the role of CQ and CE in multicultural teams, the focus is on how they benefit the team to be successful. The impact of CQ and CE is discussed from the point of view of how they benefit the multicultural team behaviour and the perception on the three aspects.

### 5.1 Impact on conflict

It is typical for humans to overly generalise unfamiliar behaviour or misread situations, when there is not enough information. These misperceptions can lead to decisions and actions that are not correct in a specific cultural context. It is difficult for people to accept errors in own behaviour and thus miscommunications are often blamed on the other party, when in fact the reasons behind the difficulties should be evaluated. (Bandura 1986: 219-220.) Brislin et al. (2006) note that individuals who possess high level of cultural intelligence do not overly generalise others behaviour, but observe each encounter individually. Also, generalisation emerges from people's tendency to hold on to their cultural identity and review behaviour with cultural bias. This can lead to reading someone's actions negatively. If the cultural identity can be modified or at least its effect understood, interacting without conflict could become easier. (Schreiber, 1996.)

The *metacognitive aspect* of CQ modifies the cultural identity by questioning own values and integrating new ones to self-awareness. Though developing cultural intelligence does not mean letting go of own cultural identity completely. It enhances it and makes it possible to differentiate own identity from others, without perceiving it to be wrong or negative. Accepting others culturally bound behaviour lessens the chance for conflict. Though this over generalisation can create conflict, it might also help in the interaction. Pattern recognition is an element in the *cognitive aspect* of the CQ and can help to understand behaviour. (Earley & Ang, 2003.) Cultural intelligence however allows individuals to

comprehend that the behaviour is only suggestive and not a representation of an entire culture. Modifying the generalisation of one culture could help when navigating in another, since pattern recognition creates new perspectives for own viewpoint. (Brislin et al., 2006.) Based on the discussion the first hypothesis is presented to be the following:

*Hypothesis 1: Cultural intelligence influences conflict in multicultural teams in a positive way, by decreasing it.*

The hypothesis is also in line with the discussion in chapter 2.2, on the stages when conflict and high efficiency in multicultural teams take place. The views on when conflict emerges and how efficient teams are, is important because it gives an idea on how the employees react to culturally diverse atmosphere. If individuals have high CQ they can possibly avoid conflict in the beginning and create group cohesion quicker, which results in efficiency. Conflict can also depend on how great is the cultural diversity within the team. Teams with high cultural diversity can be more creative, but they could also have higher risk for conflict. (Stahl et al. 2010.) Thus the level of conflict and performance can also vary between multicultural groups, depending on how culturally diverse they are. Meaning that even if there is four different nationalities, if those cultures are mentally close to each other, interacting without conflict can be easier.

Chapter 2.2 also discussed that communication is one of the main barriers in multicultural teamwork. Meyer (2015) and Bartlett et al. (2003) noted that the challenges in communication come from the unspoken message of the words; therefore cultural experiences can assist in cross-cultural communication. If an employee is familiar with customs of a specific culture, communicating with them is proven to be easier. For example some country cultures have a tendency to interrupt the other while they are speaking to show them that they are paying attention to the conversation (Brett et al., 2006). Comparing this behaviour for example to Finnish culture would be considered very rude, since eye contact and nodding is the way to show interaction, cutting someone off would be insensitive. But if a team member is familiar with these customs they will not find them rude or hurtful, but expect this behaviour to be normal. Expecting nationalities to behave stereotypically can increase the understanding of differences and minimise conflict. Creating stereotypes from own cultural experiences is what people often do. When different or surprising behaviour is accepted to be culturally typical it will not cause tension during

the interaction. Expecting people to behave a certain way reduces surprises and can help a team become more cohesive faster. Drawing from the assumption that cultural experiences can benefit individuals in multicultural situations, the second hypothesis is presented as following:

*Hypothesis 2: Cultural experience influences conflict in multicultural teams in a positive way, by decreasing it.*

## 5.2 Impact on trust

Trust is a significant factor in forming group cohesion and team efficiency. When team members are able to communicate openly and have shared rules and expectations, they are behaving as a unit towards a common goal. (Cheng et al., 2013.) As CQ's effect on conflict was contemplated in the previous chapter through the four factor model, so can be the matter of trust. Consistency, goal orientation and value integration are all elements of the *motivational aspect*. Though metacognitive and cognitive aspects also influence trust, it is the motivational factor which allows employees to actively build trust with their team. High motivational CQ turns the attention to helping others, actively trying to understand them and overcoming obstacles together. (Earley & Ang, 2003; Moon, 2013.) Trust is a matter which comes from views and values and it is not so tangible. One can build trust by certain actions, but more often trust is a very deep issue, which requires more than apparent actions. People might sense that someone is not being sincere or that their actions contradict their spoken messages. Therefore the motivational aspect of CQ is crucial in trust formation, because it makes peoples actions consistent and their intentions evident. The third hypothesis is formed as:

*Hypothesis 3: Cultural intelligence influences trust in multicultural teams in a positive way.*

As cultural intelligence apply the motivational aspect to seek understanding in the moment, cultural experiences can help people to manage their trust in more tangible actions. Cultural experiences can teach individuals about the difference in trust comprehension. When people travel, they often have to trust the locals because the environment is so different, laws vary and there might not be pre-knowledge on how daily matters are handled.

Sometimes people are disappointed when they have trusted someone and that person did not follow through. Literature in the end of chapter 3.3 (Brislin et al., 2006; Ang et al., 2006) discussed that when people expect culturally diverse situations to be confusing, they are able to navigate better in them. People expect the same level of trust from others as they have themselves. Also, if the culture is familiar or mentally close to own, the trust expectation can be even higher. To be able handle the disappointment one would need to realise that there is the possibility for 'broken promises'. Understanding that own expectations of how trust should be implemented might not be the same in every culture. (Yang, 2014.) People might learn this the hard way through cultural experiences, but being disappointed once can eventually teach individuals to manage their expectations and be able to build trust effectively. From this reflection the fourth hypothesis is proposed to be the following:

*Hypothesis 4: Cultural experience influences trust in multicultural teams in a positive way.*

### 5.3 Impact on knowledge share

Knowledge share in a multicultural team is not only affected by CQ and CE but also the level of conflict and trust. As discussed in the end of chapter two, knowledge share in a conflict situation is not likely, also low level of trust hinders the sharing process. Team members choose how much and what kind of knowledge they share with each other, therefore perceived cohesion is important. MacNab's (2012) seven steps of experiential CQ education, as discussed in chapter three, focus also on knowledge share. The last two steps of the training process are 'feedback and communication' and 'group discussion and social sharing'. The final steps encourage teams to discuss the cultural experiences together and hopefully collectively create cultural intelligence. Knowledge share after CE helps individuals to enhance their understanding of the encounter and behaviour. Cultural intelligence can assist to make the knowledge sharing more effective and to determine what aspects of the encounter are important for future cultural contexts. Learning together is more pleasing for people as it can validate their thoughts and make the information more understandable (Bandura, 1986). Contemplating the study from the point of view of multicultural teams, learning CQ together can be more successful way, since it benefits in two ways. First point is that individuals do not need to rely only on their own CQ

formation, but compare the experiences together. Secondly creating collective cultural intelligence will form group cohesion.

Chen and Lin's study (2013) on the effect of CQ on knowledge share review the matter through the four factors. Their study suggested that the first three aspects (*metacognitive, cognitive, motivation*) would have a direct effect in team knowledge share, meaning that the behavioural aspect does not enhance the sharing. They also discovered that perceived team efficacy influences positively in knowledge share, which is why working without conflict is so important. The study suggests that the visible actions do not have a role in knowledge share, but the mental capability and motivation for consistency are the determining factors. Self-awareness is an element of the metacognitive factor, and essential in knowledge sharing. Comprehending how sharing information can possibly enhance own knowledge will make the process more appealing. Self-awareness can be developed into social-awareness which affects the knowledge sharing process by guiding how interactions should be handled. (Mayer et al., 2004.)

Cultural experiences effect on knowledge share is more visibly connected to communication. When there is knowledge on cultural customs and how one should behave, it is easier to discuss matters openly. As discussed in chapter four, the *cognitive aspect* of CQ is formed partly by cultural experiences. Moreover, the cognitive aspect allows people to recognize and accumulate the informative knowledge from cultural experiences. (Moon, 2013.) Then later on use that acquired information in a manner which is normal for the specific culture. For example some cultures require small talk before discussing the actual matters or wish to establish a personal relationship before communicating openly. It is also important to understand what is left unsaid and what implicit communication is used in that cultural context. The word 'yes' might mean 'I agree' or simply 'I hear you speaking', if one can recognise the differences in communication it can be easier to take part in knowledge share and avoid misunderstandings. (Brett et al., 2006.) Cultural experiences might also help to understand that how people share knowledge, some are more comfortable when all are equals, some might withhold the information and only share it to a superior. Based on the discussion, the last two hypotheses are presented to be the following:

*Hypothesis 5: Cultural intelligence influences knowledge share in multicultural teams in a positive way.*

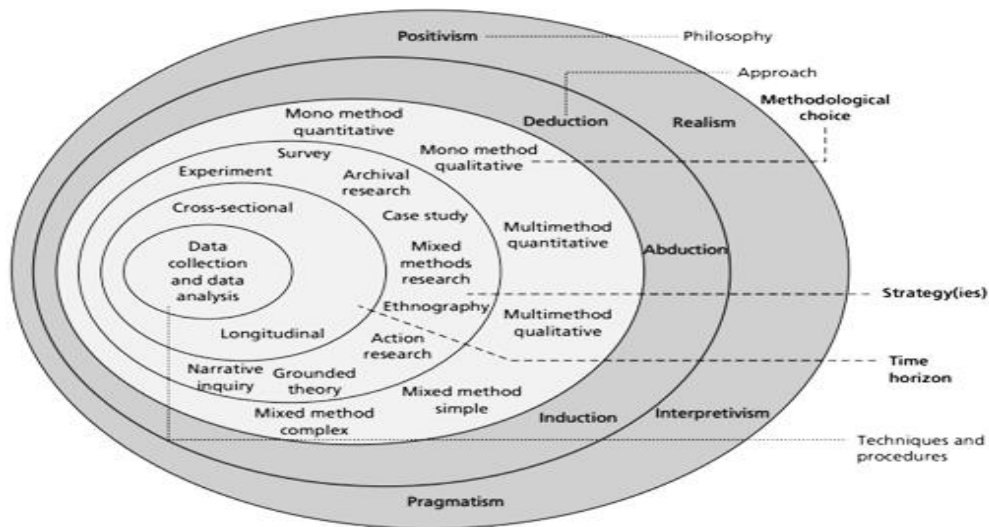
*Hypothesis 6: Cultural experience influences knowledge share in multicultural teams in a positive way.*

Based on the literature review it seems that scholars put more emphasis on the metacognitive, cognitive and motivational aspects when discussing multicultural team performance. The first three factors are crucial since they guide the behaviour and thinking and ultimately create more successful outcomes. The behavioural aspect however is less discussed. Perhaps because it is the most evident of the four factors, and greatly affected by the level of metacognition, cognition and motivation. Behavioural aspect can also be interpreted as the outcome of cultural experiences. People with CE can mimic or repeat others behaviour, without it affecting their self-awareness or –enhancement.



## 6. RESEARCH METHODOLOGY

This main chapter discusses the selected research methodology for the master's thesis. The chapter discusses how the empirical part of the thesis is formed, by presenting the research philosophy and research approach, then moving on to research methodology and strategy. Next part is data collection and its analysis, and lastly discussing the reliability and validity of the work. Assessing the methodological choices for the master's thesis is looked from multiple points of views. Processing the methods from research philosophies up to the actual data collection will help in maintaining the reliability or the research. Many literature sources about research methodology discuss the 'research onion' which is design to help the writer understand the research process. There are many variations of the onion, depending on the author and their outlook on research in general. Figure five gives an example of the research design and what possible choices there are. Throughout the research, the levels of the methods become more specific and are therefore discussed from multiple perspectives. Since the research onion of figure five is suggestive, not all aspects of it are discussed, and some methods outside the onion are represented. The research philosophy, approach, method, strategy as well as data collections and analysis are discussed in the next sub-chapters.



**Figure 5.** The 'research onion' (Saunders, Lewis, & Thornhill, 2012:160).

## 6.1 Research philosophy and research approach

In this chapter the research choices and their theory is introduced. First the *research philosophy* is presented, and after this the *research approach* is discussed. It needs to keep in mind that each ‘stage’ of the selected research choice supports the next one. As there are different stages in a master’s thesis research it is important to look the methodological choices from multiple points of view. Tuomi and Saarijärvi (2009:17) state that especially in qualitative research, the methodological choices are manifold. Therefore the choices in research theory are not either correct or wrong; the approach depends on the researchers’ viewpoint, as perception is subjective. This point is discussed in the next paragraph.

To determine the *research philosophy* of the thesis is important because it affects how the researcher views the matter in hand, moreover how the world around us is perceived. Perception influences greatly from which point of view matters are thought from and how the findings are understood. Thus the philosophy creates understanding of the research process and how the empirical findings are analysed. The research philosophy in this master’s thesis is *Interpretivism*. This philosophy states that the research is value bound and thus the researcher is subjective to the study. Interpretivism considers that the researcher focuses on the details of a situation and what the meanings are behind them. However, the meanings are subjective, multiple and may change, which is why the researcher interpretation of those situations is considered to be true. (Tuomi et al., 2009:34-35.) The research philosophy gives an orientation for the research, but also the study itself influences the choice of philosophy. The chosen philosophy affirms also the methodological choices as a quality of interpretivism is to have small samples of data which are studied in detail (2009:140).

There are three main *research approaches*: deductive, inductive and abductive. Deductive approach draws the research from the theory, by moving from constructing the theory to the data collection. In contrast, the inductive approach reviews the study from building theory, where the data collection is done first and theory is built from the results. Abductive approach on the other hand is more of a mixed method of deductive and inductive. It is not unambiguous in its approach as abduction shifts between theory and data. Characteristics of the abductive approach are that it observes the subject and builds a credible theory around it. Moreover, new information of the subject can be discovered during any point of the

research process, including the theory writing part and data analysis. (Saunders et al., 2012: 147-148.) Due to the nature of the thesis subject and the writing process, the selected research approach is *abduction*. Abduction is also the approach of the thesis due to its views on data collection and building theory. As abduction has characteristics from both deductive and inductive approaches, the theory can be revisited to some extent, even after the initial data collection. The choice for abduction is also supported by the methodological choices of the research.

## 6.2 Research methodology and research strategy

This sub-chapter presents the *methodological choices* and the proposed *research strategy* is reviewed. The beginning process of the thesis has been selecting an interesting and relevant topic, which is developed in to a clear research topic. After this the literature review began to form and it has been revisited to an extent throughout the thesis process. Data collection is done simultaneously with the writing process. The subject has focused more during the study as relevant information has been discovered during literature review as well as data collection.

In order to create a more comprehensive framework of the subject, the chosen *research methodology* in this Master's thesis is a *mixed method approach*. The study uses both qualitative and quantitative methods for the data collection. The qualitative part in the study is face-to-face interviews and quantitative part is numeric questionnaire. Mixed method approach can be called also triangulation, which has the same meaning as mixed method approach. Triangulation is described as using multiple methods within one study and refers to using mixed methods, but maintaining the same subject. (Welch & Marschan-Piekkari, 2004:165.) Using multiple methods in the methodology is also an attribute of the abductive approach. However, more emphasis is on the qualitative aspect in the data collection stage. The reason why the mixed method is chosen is complexity of the topic. Cultural intelligence is difficult to measure, since it entails aspects of attitudes, values and thoughts. Also, scholars have already created comprehensive questionnaires (table 1) to determine the level of cultural intelligence. These questionnaires have proved to be reliable in the subject context, which is why one numeric questionnaire is used during the interviews. Since the combination of qualitative and quantitative approach is used only in

the data collection part the methodology is only ‘partially integrated mixed method research’ (Saunders et al., 2012: 166). The details of the data collection will be discussed in the next sub-chapter.

Before discussing the data collection and analysis, the last point of the methodological choices is presented. Any research needs a clear goal to keep the study coherent and guide the researcher; this is the role of *research strategy*. The research strategy should be reviewed from the viewpoint of linking the research philosophy and the data collection methods. The research strategy will ultimately help to determine how the data is collected and analysed. This thesis study is characterised as an *exploratory research*, which Saunders et al. (2012:670) define as “Research that aims to seek new insights into phenomena, to ask questions, and to assess the phenomena in a new light”. They also discuss that exploratory research often has aspects of interviewing experts in-depth about the topic and being flexible in altering the theory if new finding emerge during data collection.

### 6.3 Data collection

The data collection part is the most valuable section of the thesis study as it enables analysis of the subject as well as critically evaluating existing literature on the subject. The data collections goal is to explore the phenomena, identify its themes and to see if patterns of the topic emerge. The previous chapters presented the research being a mixed method approach and therefore both qualitative and quantitative methods are used in the data collection. As an exploratory study, the data collection is often first qualitative, followed by quantitative sampling (Saunders et al., 2012:168). The chosen methods are face-to-face interviews and one numeric questionnaire. In an interview study the data and its findings are based on direct researcher-interviewee discussions (Welch et al., 2004:185). Benefit in collecting data by interviews is that people often have implicit knowledge, which is difficult to collect with other methods, such as reviewing documents (Koskinen, Alasuutari & Peltonen, 2005:106). The data collection had five distinctive parts, which are presented in figure six.

- (1) Contacting the potential interviewee and determining suitability for research
- (2) Asking background information and setting up the interview
- (3) Conducting the interviews face-to-face
- (4) Having interviewee fill out one numeric questionnaire
- (5) Ending the interview

**Figure 6.** Process of the data collection.

As the thesis study considers the matter of CQ's and CE's influence from the perception of an individual, conscious decision was made to not have any specific companies involved. The interviewees are chosen by the criteria of being in a multicultural team. The aspects of conflict, trust and knowledge share are reviewed from an individual perspective, without focusing on the actual currents within the team. The individuals take on these matters is central in the study, since the objective is to determine if there is positive correlation between the three aspects and possessing cultural intelligence and/or having cultural experiences. The next two chapters will discuss the data collection process in detail.

### 6.3.1 Forming the interview guide and numeric questionnaire

As the chosen methodology is a mixed method approach, the used data collection is individual interviews with the addition of one numeric questionnaire in each interview. In addition to methodology, the research strategy also supports using multi-methods in the data collection part. Also, the chosen research approach (abduction) considers that data collection is a way to recognise patterns or themes of the subject (Saunders et al., 2012: 144). The benefit in choosing interviews as the data collection is the methods flexibility. Researcher has the opportunity to repeat or clarify questions, to directly interact with the respondent and react to the answers by guiding the conversations. For example form interviews do not bend to fit each individual. In addition to receiving in-depth thoughts, face-to-face interviews allow each data sample to be unique in a sense. (Tuomi et al., 2009:73).

Since the study is mostly qualitative one, semi-structured theme interviews are chosen as the data collection approach. Semi-structured interviews are beneficial because they assist the researcher to guide the conversation and to get answers to the specific matters, which are essential to the research. Semi-structured interviews however also allow the interviewees to discuss the matters from their viewpoint and give an individual understanding for the topic. (Tuomi et al., 2009:75.) Using this approach in the data collection will allow researcher to have effective interviews, without blocking the interviewees chance to influence the collected data. Navigating the discussion, but enabling individual views and thoughts to emerge, is important from the viewpoints of selected methodological aspects.

Due to the multiple separate concepts in the thesis study, theme interviews are chosen to structure the data collection and clarify the discussion. Each interview consists of seven themes that guide the conversation and ensure that valid matters are discussed. The interview guide and the themes can be seen in the appendix (attachment 1). In addition to interviews one numeric survey is given to each interviewee. As discussed in chapter 3.3 'cultural intelligence measurements', there are existing questionnaires to measure individuals cultural intelligence. One of the most comprehensive ones is Van Dyne, Ang and Koh's (2008) 20-item questionnaire. This specific questionnaire is however not used in the thesis study. The reason for using both interviews and a survey was to determine if the data is in fact suggesting what the researcher thinks it is. Because the role of the survey was more to reassert the finding from the interviews, another questionnaire by Ang and Van Dyne (2008) was used (attachment 2.). The questionnaire has questions related to each part of the four factors of cultural intelligence. The used questionnaire is based on the extensive one, but is more suitable in this context. It is important that the respondent does not get tired of the interview and thus the shorter form of the questionnaire is seen to fit the process better.

The questions for the interviews are reviewed through the literature on the subject. The questions about cultural intelligence are formed to reflect the four factors of CQ. This way the responses can be compared to the answers in the CQ questionnaire, so this cross-reference will give a more comprehensive view on the findings. The questions about conflict, trust and knowledge share are made to be quite direct, to receive more explicit answers and avoid talking outside the subject. Questions on cultural experiences are formed

to determine the interviewee's level of cross-cultural interactions. As discussed in chapter four, cultural encounters can take place in own native country, and also abroad where they can be amplified. Finally, direct questions on the core of the topic are formed to receive interviewee's views on them.

### 6.3.2 Process of the interviews

The interviewees are chosen by one criterion; that they are part of a multicultural team. The other aspects of possessing cultural intelligence or ever having cultural experiences did not matter beforehand; those elements are studied during the interviews. The interviewees are contacted mainly via email to enquiry about the possibility to set up an interview. If they fitted the criteria, they first answer basic background information via email to clarify the nature of their work and team. Asking basic information via email is also to save time in the actual interviews, and to only discuss the core subjects in hand. The interview guide is also translated into Finnish, as two of the interviews are conducted in Finnish. During the interviews it is explained that there different themes are discussed and when moving on to the next theme it is always mentioned. This helps the interviewee to stay current on what is being discussed and helps them to give more directed answers on the subject. The themes are; multicultural team, trust, conflict, knowledge share, cultural experience and cultural intelligence. In the end of the interview, interviewees are asked if they knew someone who would be a possible candidate for the research. This helps to secure more interviews and made the data collection part more continuous.

When moving on to cultural experience, the interviewees are asked to write down where and how long they have lived abroad. After the information is given, their experiences are discussed. Once the final questions, of cultural intelligence are done, respondents fill out the CQ questionnaire and after this they hear the definition of cultural intelligence. The concept is told in the end because the final questions are direct questions about the researched topic. Asking direct questions which reflect the hypotheses, allows the researcher to compare the answers from when the interviewee did not know the context of the research, with the answers on explicit questions. Therefore, it is important to leave the definition and direct questions in the end to avoid it influencing the other answers. Throughout the interviews researcher is prepared to ask probe questions and adapt the flow

of the interview to meet the individual differences. Welch et al. (2004:216) note that being prepared to shift the questions can lead to new insights which otherwise could be missed.

Since the study is a qualitative one and the interviews are in-depth ones, the amount of interviews is ten. There are eight nationalities among the interviewees: Canadian, Chinese, Finnish, Indian, Moldovan, Nepalese, Russian, South-Korean and Tanzanian. Six of the interviewees are men and four are women. In order to maintain the anonymity of the interviewees, the companies they work for are not be mentioned. However there are five different companies, from which two are large multinational ones, one large national company, one governmental organisation and one local company. Although the company is the same between some interviewees, most of them did not work within the same team.

#### 6.4 Data analysis

The data analysis part of the empirical study will determine if there is a connection with the theory in the literature review and the proposed hypotheses. Due to the mixed method approach, the data analysis uses both qualitative and quantitative methods to study the findings. As an exploratory research, the study seeks to understand a phenomenon and build a framework around it.

##### *Qualitative data*

Kolb's learning cycle is applied when analysing the data, in both data collection part and after reviewing the transcribed discussion. Kolb created a four stage cycle to learn from experience. The first stage is to have the experience (interviews) which the analysis is then based on. Secondly the experiences are observed and reviewed, which is done both during the interviews and also later on. (Ng, et al., 2009.) The third stage is to conceptualise the experience, which in this context means learning from it. The final stage is active experimentation, which surfaces as comparing the findings to the literature review of the thesis. (Saunders et al., 2012:13). During the observation stage, pattern recognition is used to see if the same kind of answers emerges from the discussion. The pattern recognition in this case has two aspects: first is to follow if the comments reflected the theories in existing literature, and secondly to recognise same answers between respondents. This requires high



attention from the researcher, because the recurrent comments can emerge in any point of the interview.

For the observation to be comprehensive, the interviews are recorded and transcribed later on. Also, notes on the discussion are made throughout the interview. Due to the research approach and strategy, it is possible to revisit the literature review even after the interviews. Therefore the third stage of Kolb's cycle is able to put in use, if anything new and beneficial for the study emerges from the data collection. The last stage of the cycle, testing the experience, is applied not only when reviewing the theory, but when the qualitative and quantitative data is compared. The quantitative data studies the same topic (CQ) as the qualitative discussion, but from a different point of view. The numeric questionnaire is more structured with explicit questions, which in a way reveals more to the respondent than questions. Having two types of responses from the same topic allows the data to be compared, which enhances the validity of the study. This point is discussed furthermore in the next sub-chapter.

The data analysis seeks to find answers to the study's objectives. This is why it is important to make a conscious decision on what in the data is considered interesting for the topic. Semi-structured interviews accumulate a great number of data, thus recognising what aspects of it are important is crucial. To go through the data is demanding, so categorising and forming themes of it helps to clearly analyse the findings. As the interviews have ready-made themes, it is logical to apply these when categorising the data. The chosen research approach influences how the data is analysed. Abduction considers that forming theory from qualitative data is possible when observation has a theme it is searching for. Abduction often has the perspective of creating frameworks from the collected data (interviews). (Tuomi et al., 2009:95.) The collected data is analysed by applying content analysis, in which Kolb's cycle assisted to form conceptualisation of the findings.

Content analysis is a form of analysing message contents in either written or spoken words (Neuendorf, 2002:4). In this thesis the content that is analysed is the collected data from the interviews. Content analysis strives to form a framework of the studied phenomenon in a condensed and general way. It summarises the data and recognises that not all emerged issues are valid for the research. Content analysis allows the researcher to form conclusion from the data and to recognise meanings behind words. The objective of content analysis is

to form a description of the phenomenon and to create a clear verbal portrait of the topic. (Tuomi et al., 2009: 103-109; Neuendorf, 2002:15.) To assist the analysis process, interim summaries are made during the data collection. Summarising what is found so far and possible implications from the literature review is done to determine the quality of the data. This approach also assisted in pattern recognition for later interviews and to determine if the data was producing wished outcomes. Reviewing the data throughout the collection part supports the analysis when making conclusions.

The proper amount of interviews in a Master's thesis is suggestive according to the Faculty guidelines, however what is more important during data collection is identifying when there is enough material to conduct analyses comprehensively. Saturation is a key aspect in data collection and analysis. Saturation indicates when the data begins to repeat itself and when new knowledge for resolving the research questions is not received. Saturation suggests that a certain amount of information is enough to point out the theoretical framework that is possible to gain from the research. (Tuomi et al. 2009; 87.) It needs to keep in mind that saturation is only one way to reflect the collected data, and since the researcher is somewhat subjective in the generalisations, knowing exactly when the data begins to repeat itself is not definite.

Qualitative data is challenging to analyses due to the nature of searching meanings from the discussions. Researchers own views on what is considered important, greatly affects the analyses. Recognising or creating themes from the discussion is subjective to the experience. Each finding from seemingly similar interviews is unique and fully open to researcher's interpretation. (Neuendorf, 2002:72.) Content analysis has been challenged by many scholars, due to having an extensive interpretation on how conclusions can be formed. Though content analysis is widely recognised to be a proper analysing tool in qualitative studies, and especially in Business Studies, it still receives criticism (Tuomi et al., 2009:104.) When selecting content analysis as the approach for the analysis, it is important for the researcher to recognise its limits. Understanding from the beginning of the study that the analysis technique is quite subjective, assists in understanding how the results and findings can be reviewed.

### *Quantitative data*

In addition to the interviews quantitative data is collected. It is analysed separately and also compared to the qualitative data. Not relying solely on interview data, the researcher can find connection or contradiction between the answers. This balances the conclusion drawn from the analysis. (Welch, 2004:324.) Analysing the quantitative data can be described more unambiguous than the qualitative one. Since the quantitative data in this case is purely numeric, it can easily be specified to averages. Although, it needs to keep in mind that the numeric questionnaire is done in the end of the interview, so respondents have an idea of what is studied. This might affect their answers in the questionnaire. The quantitative data only measures the cultural intelligence scoring and is therefore comparative with the answers received from the CQ theme of the discussion.

The quantitative data in this research is not extensive one, as its purpose is to mainly support the qualitative one. So there is no strict detailed data analysis, because the data sampling is so small. Also, one characteristic for quantitative data analysis is comparing variables (Saunders et al., 2012:508), and since the interest in this research is not the correlation between the variables in the questionnaire, this aspect is not measured. To analyse quantitative data in an extensive way, more respondents and more comprehensive questionnaire would be needed. Comparing the accuracy between qualitative and quantitative data is difficult. As quantitative data in this case is purely numeric, there can be fewer errors in it, as averages are not open to interpretation. (Saunders et al., 2012:220.) In the study there are ten respondents and the questionnaire entailed nine question items. The data is placed in excel sheet (attachment 3), and an average of the answers is counted to each individual. The questionnaire items are on a scale from 1 (strongly disagree) to 5 (strongly agree). This means that the higher the average is, the higher the respondent's cultural intelligence average is (CQ minimum average 1, maximum 5). An average is also count to each question to see if answers in certain questions are similar between the respondents.

### 6.5 Reliability and validity

As discussed earlier, the research philosophy in the thesis is interpretivism, meaning that the researcher is subjective towards the study. Since the researcher decides what is considered acceptable information and which aspects are taken into consideration in the study, the perception and viewpoint affect the outcome. Reliability and validity in qualitative research have been criticised due to that they have been originally developed to measure the accuracy in quantitative studies. Therefore they are not fully applicable to qualitative studies. (Koskinen et al., 2005: 225; Tuomi et al., 2009:136.) As findings from discussions are open to different interpretations, this thesis recognises that the research has reliability and validity issues.

### *Reliability*

Reliability indicates to how accurate the data collection and analysis methods are. Reliability can be contemplated by reviewing if other researchers would receive the similar findings or would the findings be the same if collected in different times. (Tuomi et al. 2009:136.) To make this possible it is important to clearly describe how the study was done; the steps of the interviews, how it was observed and how the data was analysed. Qualitative research recognises that there can be contradictory views, between the same types of research, as it depends how the researcher sees the topic. However, if results are sought to duplicate, they should be repeated the same way. (Koskinen, et al., 2005:259.) Thus describing how the research was conducted as a whole improves the reliability. This point has been taken into consideration during the data collection as the methods were explained in detail in the previous chapters. This way the research can be duplicated by another party, if necessary.

Reliability in the interviews is ambiguous. Respondents' mood in a specific day might influence the answers and other researchers could interpret the discussion differently. Consequently empirical research is always value bound and data findings are not considered to be the truth. Aspect of if data is repeatable, is secondary in qualitative research. What is more important is the good comprehension of the study's concepts. Key concepts guide the research, thus taken this notion into consideration from the very beginning improves the quality of the research. (Koskinen et al., 2005:253.) This thesis has presented and identified the key concepts in the literature review. Thus before conducting

the data collection, researcher has delimited the study's concepts and created a framework of understanding.

### *Validity*

Qualitative research has been criticised that it does not take validity issues serious enough. One of the ways to measure validity in business studies is to contemplate to how well it presents the studied phenomenon. The critique is also from the point of view that 'discussion based data' is too subjective and that the researchers are not always able to generalise the findings. As the objective in qualitative business studies is often to create better understanding of the topic, generalisations in the studies is not always possible, or they require more research. (Welch et al., 2004: 464.) This thesis study seeks to understand a phenomenon better, but to also make conclusions of the findings. To be able to generalise the data, detailed planning of the study is crucial. Recognising the possible errors and minimising them beforehand assists in creating stronger validity. (Koskinen et al., 2005:262) Validity was taken into consideration when forming the study. The literature review, methodological choices and method of data collection were planned by keeping the validity aspect in mind.

Validity can be seen from two different perspectives: internal and external validity. Internal validity seeks to give accuracy to the study, by applying multiple methods, for example comparing data during the data collection and seeking contradictory answers. Design of questions and how the interviews are carried out (order of questions, understanding them as researcher attended) affect the inner validity as well. External validity is more difficult to determine as it determines the generalisation of the phenomenon framework, and if it can be applied to other contexts. (Saunders et al., 2012, 371; Koskinen et al., 2005: 257.) To improve validity, the interview guide was formed in a way that it did not immediately reveal too much to the interviewee. Direct questions on the core of the topic were left last, to prevent the information having an effect in the discussion. Therefore topics on conflict, trust and knowledge share was discussed first, before moving on to CE and CQ. When arranging the interviews, the only aspect the respondents knew beforehand, was that the research is about multicultural teams.

Inner validity in this study is improved by having two types of data and comparing them to each other. Having both qualitative and quantitative methods in data collection improves the internal validity (Koskinen et al., 2005:257). In addition the data is evaluated during and after the collection. This way recognising deviations during data collection is possible. The data showed saturation in responses, which is essential in generalisation of the findings. Though saturation is open to the researchers' interpretation, it still indicates that the empirical framework and the design of the methods is well planned (Welch et al. (2004:309.) To maintain objectivity in the data analysis, responses are observed during interviews and in addition transcribed later on to process them properly. Therefore, the data is analysed several times, from initial theme recognition to generalisation and empirical framework construction. By going through the data multiple times, subjectivity is sought to minimise.

#### *Cultural issues in reliability on validity*

Quality issues in international business research are common due the cultural differences. This aspects needs to be recognised from the beginning, when deciding the methodology, data collection and analysis issues. Cross-cultural situation have more possibilities for misinterpretations, as behaviour, communication and attitudes differ between interviewees. (Molinsky et al., 2005.) As the interviews are mainly cross-cultural ones, it is not possible to do them always in the interviewee's native language. Two of the interviews were done in Finnish but rest were conducted in English, and only one interviewee had English as their mother tongue. Therefore miscommunications were likely; also it needs to keep in mind that the researcher's first language is Finnish, which also could have affected how the interviews were carried out.

Welch et al. (2004:224), note that when conducting cross-cultural interviews the language differences have an impact on the process. Moreover, each interview is unique and the spoken language should be adapted to meet the communication style of the interviewee. Some might require speaking the questions slowly or repeating them more. It is the researcher's responsibility to adapt to the situation and be prepared to approach the interviews in an individual way. This of course affects the data collection, if questions need to be suddenly re-formed to some interviewees or the meaning of them is lost in translation.

In this study the cultural differences are taken into consideration in planning of the interview guide and preparation for the interviews.

Since the interviews are done in two different languages the sentences naturally are not exactly the same. One difficulty in the translation process is the concept of 'knowledge share'. Exactly similar term does not exist in Finnish, and the term translates as 'sharing ones expertise'. To avoid misunderstandings, the interviewees got to hear the definition of knowledge share. In addition, those who spoke Finnish heard the term in both Finnish and English. This was done to keep the understanding of the concept similar in both languages. The communication issue was also taken into consideration. The interview guide included probe questions, in case the questions were not immediately understood. Since the interviews were face to face ones, it was easy for the researcher to be flexible during the questions. If necessary the question could be repeated or the discussion slowed down, to ensure the understanding of the topic.

## 7. RESULTS AND FINDINGS

This main chapter discusses the collected empirical data, by presenting the main findings from the interviews. The analysis on them is based on the previously presented literature. Due to the complexity of the thesis topic and the many concepts, the first three sub-chapters will discuss the aspects of conflict, trust and knowledge share separately. This gives an understanding on what issues emerged from the data, and if findings were in line with the presented literature. The following sub-chapter discusses the findings of cultural experiences. After this cultural intelligences influence on multicultural teams is reviewed through the four factor model and reflected how the three aspects were influenced by them. Though this chapter discusses the findings from the viewpoint of CQ, it is recognised that cultural experiences are possibly influential in each factor. Lastly a summary of the findings is discussed on a more general level and hypotheses are discussed through the results. Basic information of the interviewees can be seen from table two.

<b>Respondent (R)</b>	<b>Country of origin</b>	<b>Male/ Female</b>	<b>Nationalities within the team</b>	<b>Age distribution</b>	<b>Lived abroad (in years)</b>	<b>CQ average</b>
<b>1</b>	Finland	M	5	50–59	-	3,9
<b>2</b>	Korea, Republic of	F	3	30–39	7	4,3
<b>3</b>	China	M	6	20–29	6	3,4
<b>4</b>	Canada	M	6	20–29	4	4
<b>5</b>	India	M	7	30–39	15	4
<b>6</b>	Finland	M	2-5	20–29	4	3,4
<b>7</b>	Nepal	M	10	20–29	20	4,1
<b>8</b>	Moldova	F	5	20–29	16	3,6
<b>9</b>	Russia	F	5	20–29	8	4
<b>10</b>	Tanzania	F	9	20–29	7	4,1

**Table 2.** Interviewee basic information



Each of the interviewees work in a multicultural team, where they daily interact with people from other cultures than their own. All of the respondents have experience on working in a multicultural team setting, prior to their current job. The experience was either study related or from previous work. When asked if they wanted to work in a multicultural team, there were two types of answers. Some replied that it did not matter, while others stated that it was their ambition to work in a multicultural setting. Consequently, those who had multicultural team experience through studies were more prone to respond that they wished for this kind of work. Even though not all responded that their intention was to work in a multicultural team, they did not see it as something that was out of the ordinary. This could indicate that certain people, mainly those with high CQ, seek consciously or subconsciously situations where the atmosphere is a multicultural one. Apart from one person all of the interviewees had lived abroad. As the interviews took place in Finland, the non-Finns would naturally count their current job as being abroad. Nine out of ten interviewees had studied abroad, and eight of the ten had worked abroad.

As the table two indicates all of the respondents have relatively high cultural intelligence (average 3,8). Even though this was to be expected from people working in a multicultural environment, it was still surprising that there were no variance. Naturally the results from the numeric questionnaire are subjective to individuals' interpretation of themselves, but the discussion on cultural intelligence still supported the high average. As there is no variance between the respondents the discussion on the findings is done on the assumption that the similar answers are due to the high cultural intelligence. It is understood that other aspects could have influenced the similar answers as well (personality, cultural background etc.). However, a clear delimitation is done to reflect the findings from the viewpoint of cultural intelligence, in which cultural experiences are included.

## 7.1 Factors influencing conflict in multicultural teams

The first main theme, in relation to cultural intelligence and cultural experience that was discussed in the interviews, was conflict. The conflict aspect was discussed from the viewpoint of the team that the interviewee was currently working in. Out of the three aspects (conflict, trust, KS), conflict was the one that *was recognised the most*. Though this

aspect was identified to be a part of the team behaviour, most interviewees were reluctant at first to use the word 'conflict'. It appeared that the word was too strong to use, and it needed to be toned down, by explaining that the incidents can also be just minor ones. In order to receive answers of the topic the first question about the conflict theme was to identify if there is any behaviour within a team that the respondent would find difficult to understand. This approach was taken because conflict normally emerges from misunderstanding someone's behaviour (Dekker et al., 2008).

The data suggested that there were two main reasons for conflict: miscommunications and lack of team identity. Communication issues were the common factor in all interviews. Miscommunications are one of the most common reasons to raise conflict in multicultural teams. Language fluency and the various accents can make understanding each other challenging. Moreover the cultural differences affect the direct and indirect style of the communication. (Brett et al., 2006; Mayer, 2015.) Most of the interviewees had also aspects of virtual teams, where they would not always have the possibility for face-to-face communication. In these cases daily communication was done mainly via email, with the occasional phone calls. This creates even more miscommunications when the message of the words cannot be fully understood and the person has to rely on the direct message alone, without the support of body language or communication tone. (Bartlett et al., 2003:110). Nonetheless the main problem in the communication difficulties which lead to some level of conflict, were stated to come from cultural differences.

*"In the communication issues, there's still cultural behaviour, it's not only the distance."*  
R6

*"In multicultural dimension, some people have direct communication so some try to create issues out of it."* R7

The other issue in conflict formation that was mentioned was problems in team cohesion. Teams which do not perceive high cohesion can become dysfunctional. Schreiber (1996) notes that us versus them dilemma is common in multicultural teams. If this happens, it is likely for the team members to be in competition with each other or start forming groupings within the team. Low interactions at the workplace or having virtual team members can hinder the feeling of togetherness. When group is lacking cohesion and competes with one

another, it is more likely for conflict to emerge in a non-constructive manner (Harris et al., 1999:58). Since conflict issues can be seen as beneficial part of the team unification, experiencing them constructively becomes crucial. Achieving this ‘positive conflict’ is possible if the team members can work in a unified way.

*“If we decide something they (virtual team members) might suspect whether it’s the right decision. They have a tendency to report every little thing to the supervisor. -The communication issues got better once we interacted face to face.” R6*

Taking into consideration that the literature on multicultural team conflict mainly discusses the issues from the viewpoint of new group formation, but in this study the issue was looked from the perspective of an individual. Some interviewees were relatively new for the team and some had been in them longer. As the literature discussed in chapter 2.2 (Harris et al., 1999; Watson et al., 1993) there is a higher risk for conflict to emerge in the early stages of group formation, which might have effected how the matter was perceived. Although the data suggested similarities with the existing research, the variable in this study is that the literature discusses conflict stage from the viewpoint of new team formation. However, as the thesis study is done from the outlook of an individual, there can be differences in forming a completely new team versus having one person join an existing one. In addition, the conflict aspect was most recognised, but for the most part interviewees did not consider the incidents as large conflict issues. No interviewee mentioned that they had experienced personal conflict, but only work task related. This could have also effected how the conflict was perceived, as work related conflict can be constructive or even normal, but interpersonal issues are more difficult to ignore. (De Dreu et al., 2003.) Later in this main chapter the findings of CQ influence in the conflict perception is discussed.

## 7.2 Factors influencing trust in multicultural teams

Previous chapter discussed the most common reasons for conflict in MCT’s, and as conflict has a direct negative affect on trust (Mockaitis, 2009) the findings in conflict can also affect the trust aspect. The data showed two main findings about the trust aspect; firstly the trust formation took time and secondly the level of trust fluctuated between team members. For trust formation, there were two sides to it; interviewees stated that it either took time for

them to begin trusting their team members or that their team did not trust them immediately.

*“The ones I know I trust, I have interacted with them more.”* R10

*“Some colleagues don’t trust new comers, or if they’ve had bad experiences they might be more careful with certain issues.”* R9

The data indicated that people who did not have high amount of work experience or were relatively new to their team, were prone to trust their team members from the very beginning. Many stated that they trust their team members’ expertise in the work matters, so the trust was immediate for them. However, they also differentiated work related and personal trust, and even though trust in work matters was high for all team members, personal trust was rarer. When an employee is new to the task or do not have much work experience, it is a necessity to trust team members.

The second finding on trust element is that the level of trust fluctuated between people. The main reasons for different levels in trusting team members were; personality differences, expertise, attitude towards work and cultural differences. When person is familiar with how a culture views trust, it is easier for them to manage their expectations. Most interviewees mentioned the high trust that Finns have in the work place, and reflected the trust aspect through this perspective. Finns take on trust was the most common example probably since the interviewees are either Finns or working in Finland. Some cultures take on trust is similar and thus trust might be easier to build (Cheng & Leung, 2013). As the trust formation takes time, it is easier for people to trust team members who handle work matters similarly or do not fail expectations (Yang, 2014).

*“I have bias towards certain nationalities, so I might already have higher expectations in terms of trust.”* R2

*“Since I know their culture is this way, it’s easier for me to trust them, I have expectations.”* R8

Trust is a very evident cultural value in Finland and its emphasis in team behaviour was highlighted. Attitude towards trust emerges often from the economical and sociological aspects of one's country. This point came across in the data, when people stated that the level of trust is not the same across all team members. Interviewees noted that people from certain cultures are greatly affected by the unsteadiness of their home country. Also the cultural behaviour was recognised, that for some nationalities trusting someone's word or their promises was not unambiguous. Countries with unsteady governments effect people's perception on trust (Earley et al., 2000).

### 7.3 Factors influencing knowledge share in multicultural teams

The aspect of knowledge share was the one theme that had most scattered responses. All interviewees recognised that they had some level of knowledge share in their team, but for some, identifying the level of KS seemed difficult. Data proposed that those who worked in a large company had more existing structure for knowledge share, and thus were more inclined to engage in it. The results on why knowledge was shared were twofold; proportion stated that KS within the team was due to the company structure, while others said that knowledge share occurred because of the team itself. Those who stated that the knowledge sharing between the team was good also stated more often that they used several types of communication. For knowledge share to be effective, multiple methods should be used to distribute the knowledge across the team (Berg, 2012).

*"We're working in a fairly structured team in a big organisation. Knowledge share structure is already there, and it's basically to follow it."* R3

*"It seems that they (company) have a strategy for the knowledge sharing."* R9

VS

*"Because we are a team we have to collaborate. ... –Knowledge sharing is because of the team it comes from the people."* R8

*"No, I don't think the company affects the knowledge share, it's about the team."* R7

The responses for knowledge share varied as those who had high structure in place, had fewer difficulties in sharing. Respondents who did not have existing structure had more difficulties in engaging in knowledge share effectively from the beginning. This can be due to the unfamiliarity of the team and finding a KS structure which works whole team can be challenging, without strong input from the company. Common reason for inefficient knowledge share is lack of managerial guidance and structure. In addition, knowledge share is influenced by culture, however strong company culture can have a more significant impact on it. (Akhavan, et al., 2015; Sharma et al., 2012.) Chapter 7.1 discussed that the lack of team identity was one finding in conflict aspect. As conflict negatively affects trust, it can also hinder the knowledge sharing process. Weak team cohesion can make it threatening to share own expertise, thus knowledge share can be relatively low. When there is a structure in place for KS team members might be more prone to engage in it, even if team cohesion is not yet reached.

Though there were differences on how high the knowledge sharing was, there are two main findings on the problems of KS. Regardless whether the structure was in place, the main difficulties in knowledge sharing were; being able to communicate the knowledge effectively, and understanding received knowledge as it was meant to. Most interviewees stated that cultural differences, such as hierarchy, influence the knowledge sharing process, in both what is shared and how the information is received. Also, those who were in managerial positions (Int. 1&5) noted that though the level of KS is connected to team members knowledge on specific work task, there are still cultural differences to take into considerations on how to share. Implicit knowledge can be more beneficial; however it is more difficult to share effectively (Berg, 2012).

#### 7.4 Findings on cultural experiences' impact on multicultural teams

The data suggested that cultural experiences influence the multicultural team behaviour. Apart from one, all interviewees had lived abroad either working or studying (table 2). The questions about cultural experiences were limited to living abroad, even though CE can be gain in other ways also. This is because cultural experiences have many forms (Ng, et al., 2009) so it can be challenging to identify which cross-cultural interactions are such. Cultural experiences have differences in length and effectiveness. Time spent abroad gives

often broader cultural experiences as daily situations repeat themselves. What emerged from the data was that *all of the interviewees* found cultural experiences beneficial for their current work. They referred to specific skills learned from cultural experiences, which assisted them in working in a multicultural team. CE is a key aspect in forming, developing and maintaining cultural intelligence (Early & Ang, 2003). This can be one reason why all interviewees had relatively high CQ, as their various cultural experiences had developed their cultural intelligence.

Especially those who had spent time abroad, were able to identify the experiences significance in their current work. What was also interesting discovery was that even though interviewee 1 had not lived abroad, his CQ was no lower than the others. However, the aspect that most likely influences this is the broad international experience which the individual had gained during over two decades of working in a multicultural environment. The conclusion which emerged from the data was that interviewees were able to use the knowledge gained from cultural experiences in their work.

*“You don’t immediately think what you learned right after. It’s more in the future, when you come across the same scenario you faced during your time abroad, then you realise you already know what to do.” R3*

*“I came to understand different working styles. Getting those cross-cultural understandings, it’s now really easy for me to work in different cultural environments.” R5*

*“I have the multicultural experiences, and I think they help really well to adjust in this work place. Because we have different kind of situations and I could see quite well how to react and how to in adjust this situation.” R2*

Specific topics that interviewees learned to understand through cultural experiences were: communication differences and forming trust. It was recognised that culture influences the perception of trust, but the differences can be learned through interactions. Gaining understanding in communication assisted the knowledge sharing aspect within the team. For the knowledge share the influence was mainly *how* the information was distributed. People understood that communication is very culturally various and thus knowledge

cannot be distributed the same across all team members, because the implicit communication is highlighted in cross-cultural situations.

*“I learned (from time abroad) how to communicate with people. How to find a solution, if for example others don’t speak English. It’s easier to adapt next time, to maybe prevent something.” R9*

*“I learned that you can’t completely trust what they’re saying, you need a filter for the information.” R6*

*“Trust issues come often from cultural differences, but understanding forms from the experience. And when you interact with them the more it enhances trust.” R9*

The data suggested that cultural experiences influence behaviour in multicultural teams in various ways, as respondents were able to specify skills they had gained. Respondents were also able to describe certain cultural behaviour in detail, which assisted them in their work, if team members were from the culture in question. In addition to communication, respondents stated that CE taught them to be open minded, adjust to new situations and be more accepting of new ways. Being able to recognise differences in behaviour and being open to adjusting to them, is part of cognitive CQ formation. Cultural experiences have the possibility to positively effect CQ development. Thus literature supports that cultural experiences had an influence in respondents’ high CQ averages. (Early & Ang, 2003; Ng et al., 2009.)

## 7.5 Findings on cultural intelligences impact in multicultural teams

Main finding in the data was that all of the interviewees had relatively high cultural intelligence. It was somewhat surprising that all respondents had a high average. It could be argued that companies often hire people with multicultural background for ‘international’ positions. Also those who had multicultural experience due to their studies, stated that they wanted to work in a multicultural atmosphere, which indicates that they could pursue multicultural positions.



The next three sub-chapters discuss the findings through the core research and literature. The discussion is based on Early and Ang's (2003) model. The empirical findings are reviewed through the four factor model. Firstly the metacognitive and cognitive aspects are discussed together. After this the data is reviewed through the motivational aspect and thirdly by the behavioural factor. The discussion on CQ findings is done on a quite detailed level to enhance the understanding of the topic. As the study is complex with many themes, discussion the results in a specific way enhances the understanding of the topic as a whole. Cultural intelligence can manifest in different ways of thinking or behaving, and by reviewing the data through the four factor model, empirical findings can be presented in a clearer way. Though the sub-chapters discuss the data through the CQ literature, it needs to keep in mind that each part is/can be affected by cultural experiences

#### 7.5.1 Metacognitive and cognitive CQ factor in multicultural teams

Metacognitive and cognitive factors of cultural intelligence build the framework of understanding around cultural differences. Self-awareness can be difficult to objectively self-analyse, as it is often subconscious. The interviewees were asked about their own cultural behaviour, which would indicate self-understanding. The question (att. 1, q16) proved to be a difficult one to answer, which was relatively surprising. Respondents were able to say whether they behave in a culturally typical way, but it was more difficult to give examples on what type of behaviour and why they would act this way. Self-awareness is needed to construct cultural intelligence, thus it was surprising that most interviewees were not able to be 'critically self-aware'. Nonetheless the data indicated that respondents had constructed CQ, and were able to use it in their daily work. This would imply that the self-awareness is there, yet it is more on the subconscious level. Arguable, this could be explained by the fact that all respondents had already been exposed to multicultural environment for a long period. Thus they could have developed cultural self-awareness gradually and got so accustomed to it, that the self-awareness became 'successfully subconscious'. Being actively aware of what is happening and how own behaviour is in relation to the cultural setting is challenging. (Van Dyne et al., 2007).

People who possess cultural intelligence are more prone to first watch the behaviour of others, before fully engaging in it. This gives an idea on what type of behaviour is expected and if own cultural conduct should be modified. This type of behaviour can reduce the

change for conflicts when new situations are first understood from the other person's point of view. This creates more realistic expectations for the new cultural encounter, which can reduce conflict and assist in trust formation. Data showed that interviewees intentionally wanted to observe culturally new situations first, before engaging in them. This approach gave an idea of what type of behaviour is common and if own behaviour needs to be adjusted to match it better. To be successful in CQ formation, metacognitive and cognitive aspects need to be active. The cognitive and metacognitive factors manifest usually in external scanning and observation (Earley & Ang, 2003).

*"I wouldn't start behaving in my cultural way immediately, I would like to observe them first, and keep myself in the context."* R5

*"I adapt well to multicultural situations, I think. You need to observe the people, how they behave and act accordingly. Observation is the main thing, I would say."* R7

One main theme which emerged from the data was communication differences within the team. Nonetheless respondents were able to recognise that the miscommunications were often due to cultural behaviour. Arguable, this is why most stated that they did not immediately engage in the possible conflict even though the behaviour was somehow negative to them. When people do not react immediately in a negative way, even if odd behaviour presents itself, it shows the possibility of CQ's influence in the behaviour. Interviewees stated that when they first started working, the seemingly odd behaviour of colleagues was something that bothered them. So it took time to understand that it was others cultural behaviour. However, though the behaviour was not understood to be cultural at first, few entered those situations thinking it was a conflict. This would indicate that respondents' high cultural intelligence helped to be critically aware of what was happening, even if for some it was subconscious. The solution for the miscommunications and 'conflict' situations for many was to discuss and compare the experiences with other people in the workplace and try to understand the new behaviour with the other team members. When team members regard communication as beneficial for team identity, they can become more successful in knowledge share in the long run (Chen et al., 2013).

*"Maybe CQ didn't effect at first, but the more I learn from the other cultures I work with, the easier it was to interpret things that could have been possible conflicts into just*

*miscommunications. One case was that I misinterpreted someone directness as anger or something I had done. But I asked if other people had this kind of rude responses to their questions, and people said that's just how they are, so I don't take it personally."* R4

*"Of course it affects (CQ on conflict). If you are able to behave in these unfamiliar situations, then it's easier to manage the cultural differences. I think first why people act a certain way and every time I try to understand, so this way you avoid conflict."* R8

Being observant in diverse cultural situations helps to manage own reactions in the given situation. Results in the data showed that when respondents encountered similar situations multiple times, they were able to construct an understanding on certain cultures or nationalities. This assisted in interacting with new team members, when the cultural behaviour was already familiar to them. Interviewees stated that having the same cultural experience repeated, eventually helped them to understand the new or odd behaviour of team members. Finding a pattern in behaviour can be challenging, and it might take multiple similar encounters to notice the link between cultures. Brislin et al. (2006) note that, finding patterns can be easier for people who possess cultural intelligence. If multiple experiences are managed to link and learn from them, it is possible to construct a framework of understanding around specific conduct.

*"I didn't know Finns were so direct, so in the beginning I thought they were being rude. But then you meet multiple people of the same culture and once you get to the third person you realise it's their version of being polite and getting straight to the point."* R4

*"Sometimes it's really hard to understand why someone acts this way. But when they repeat that kind of behaviour, so I can understand it later why they are doing it."* R2

### 7.5.2 Motivational CQ factor in multicultural teams

Whereas self-awareness constructs conscious understanding of own thoughts, self-enhancement enables people to try to learn from accumulated cultural information. However, to succeed in self-enhancement, self-awareness is first required. Thus the metacognitive and cognitive aspects are needed before motivational factor can be build. (Early & Ang, 2003). Actively trying to learn from new experiences and encounters

requires consistency and motivation. The motivational factor enhances individuals' understanding of cultural differences. High motivation allows effective categorisation of new information and being critically aware of new situations. Building a framework around cultural behaviour makes it easier to manage own expectations. For example having a realistic attitude towards others perception of trust will help to manage own expectations. Shapiro et al. (2008) and Yang (2014) support that managing expectations is one aspect in successful trust formation.

Even though self-enhancement in a way is introspection, and though it creates understanding and knowledge, it alone does not lead information into behaviour. Thus other forms of motivation are needed, in order for the aspect to influence the behavioural factor in an efficient way. 'Mindfulness' emerged from the data, as the interviewees could be described as open minded. Even though they understood the cultural implications of people and that to some extent cultural behaviour can be generalised, they still saw each occasion as unique. Over half of the respondents stated that, though culture plays a role in interactions, each person is an individual. Drawing understanding from previous cultural encounters and adjusting behaviour to the new similar situations, while simultaneously not overly generalising cultural behaviour, would indicate quite sophisticated level of CQ. Mindfulness can be described as looking situations from several perspectives with an open mind and empathising with the person (Thomas, 2006). In addition, this aspect allows knowledge to be processed in a way that it translates into behavioural revision. Mindfulness can be seen to have aspects of emotional intelligence, which is a consideration in CQ creation (Mayer, et al., 2004; Emmerling, et al., 2012).

*"Each nationality have their own way of behaving, regardless people are individuals."R1*

*"It's more important to be open minded to the way other people would interpret things. And that goes to the point I was making earlier about avoiding conflict, you need to be able to take other people's mind-sets into consideration, and not take offense to something you would normally take offense to." R4*

*"I tend to see people as individuals and not geographically from which nationality they are."R3*

Data indicated that interviewees were open minded and accepting of different ways of thinking. Culture steers people's behaviour, in which values are often the core of personality. What emerged from the data was that interviewees were very willing and likely to change their opinions and thoughts, whereas the thought of changing on values was initially rejected. This finding was surprising as, adapting to new values and possibly questioning own ones, is a sign of CQ development (Thomas, et al., 2015). However, when discussing the matter further, the responses began to be more open. Many stated that they accept and can understand others differing values, and do not feel the need to change them. Value adaptation can be one of the reasons why respondents were relatively successful in navigating in multicultural situations. Wanting to understand others motives, is not only indication of mindfulness, but also shows adaptive capabilities, which indicate high motivational CQ (Moon, 2013; Templer, et al., 2006).

*"Values are hard; they define you, so it's like changing yourself, unless it's for the better."*R10

*"If you realise your values are not correct, then yes you change them. Opinions are easy to change, for values it takes longer."* R7

After reflecting the questions, some interviewees stated that they would be willing to change their values, if they thought it was for the better. This question showed respondents cultural differences in value integration. Respondents from highly developed countries were very straightforward in stating that value alteration was not possible, whereas those from less developed countries were more willing to understand the meaning of value questioning. Yet they also stated that changing values is a long process, and one would need high interactions in an environment with differencing values in order to adapt.

### 7.5.3 Behavioural CQ factor in multicultural teams

The ways in which metacognitive, cognitive and motivational factors form, manifest in the behavioural aspect. Much like self-awareness and self-enhancement, understanding own behavioural choices might be difficult. Interviewees were asked if they would explain own cultural behaviour to people, or asked about others behaviour. In both questions, with few

exceptions, all stated that they would not explain or ask about the behaviour, since they considered that asking directly could result in conflict. This again could indicate that the emergence of cultural intelligence was somewhat subconscious, as the data showed high levels of CQ also in the behavioural aspect, and that people were actively trying to avoid conflict situations. However, as discussed in chapter 7.5.1, one finding is that respondents observed new situations first before acting. So, even if direct questions were not made, it does not exclude the fact that learning by observation was likely. As culture steers the behaviour, it can be sometimes challenging to fully realise which parts of behaviour are influenced (Molinsky, et al., 2005).

Cultural intelligence is defined as behaving effectively in an unfamiliar cultural context by interpreting others actions and constructing a behavioural framework around them (Earley & Mosakowski, 2004; Ang, et al., 2007). It was fairly clear that interviewees were able to behave in an effective way, even if the occurred situations were completely new. The data suggested that the main reason for effective behaviour was that the new encounters were attempted to understand, before anything else.

*“I prefer talking and listening to their experiences, in order to understand their thinking and to see how you should behave.” R9*

*“Each has different cultural backgrounds, so the understanding is the most important part. I wouldn’t try to force others to follow my way.” R2*

Interviewees attempted to comprehend others actions, thoughts and views, while simultaneously creating a behavioural model for themselves. Actively observing and learning from experiences makes it possible to construct competencies, which assist in multicultural interactions. Once an individual is exposed to new cultural encounters, they are able to use those experiences to understand several cultures. Data findings suggest that respondents were able to apply the knowledge to some extent. Some country cultures were described in detail, and more importantly some regional cultures (for example Scandinavian culture) were recognised. Interviewees also showed an understanding of similarity in economical and governmental structures influencing the culture. One finding on how interviewees applied their cultural knowledge was discussed from the viewpoint of communication. Being able to change the spoken language according to situation came

across not only during discussion, but also from the numeric questionnaire (see attachment 3.) as the average on that question was relatively high (3,9). Applying specific cultural knowledge to different cultural situations requires quite a high level of cultural intelligence (Ang, et al., 2007).

*“When you learn that there is a language barrier, you change the way you speak; speak slow or broken English.” R10*

*“If I know that some people or some nationalities don’t have high English skills in general, I would try to be as explicit as possible, as simple as possible.” R7*

Behavioural CQ factor is the most apparent aspect, as actions are most noticeable in everyday interactions. However, merely mimicking others behaviour does not necessarily indicate CQ. Moreover, being prepared for revising on behaviour according to each situation is a result of cultural intelligence. Findings conclude that interviewees showed high cultural intelligence as they were prepared to behave accordingly to the cultural situations. Early and Ang’s model (2003) state that presenting the right impression regardless of the culture, is a sign of high cultural intelligence. To be able to accumulate cultural intelligence, one would first of all need to be open to understanding and learning from new cultural experiences (Lindebaum, 2009; Thomas, 2006).

*“The more you interact with other cultures the more you can behave effectively, when you already know what is better to do in certain situations.” R9*

*“Getting to know the environment, it helps to start acting like local people.” R3*

## 7.6 Summary

This final chapter of results and findings presents a summary of key conclusions. Hypotheses are discussed on the basis of chapter seven. A summary of the key findings can be seen from table three. In the end of the interviews respondents were asked direct questions on the influence of cultural intelligence in the three aspects. For conflict and trust aspects all interviewees stated that cultural intelligence affects them positively. For conflict

the main reason was that CQ assists in conflict resolution and not immediately reacting in a negative way. For trust they stated that it is easier to apply the received information to new situations and that since they know what to expect from someone, trust is easier.

For knowledge share the answers were most scattered. Four people stated that CQ influences knowledge share in a positive way, three said that there is slight or partial influence and three said that KS is not influenced by their cultural intelligence. Mainly those with low level of KS or high corporate structure replied that there is slight or no influence. Findings on cultural experiences suggest that their influence on multicultural teams is mainly learning specific skills which can be used when encountering similar situations repeatedly. It seems that cultural experiences influence is more specific when learning about certain culture of nationality, but it takes CQ to apply the information to a new but seemingly similar situation.

	<b>Conflict main issues</b>	<b>Trust main issues</b>	<b>KS main issues</b>
	1. Miscommunications cause conflict. 2. Lack of team identity	1. Trust formation takes time 2. The level of trust fluctuates between team members	1. Communicating effectively 2. Understanding received knowledge correctly
<b>CE's influence</b>	<ul style="list-style-type: none"> <li>➤ Learning the difference of implicit and explicit communication</li> <li>➤ Familiarity in cross-cultural situations reduces us vs. them thinking</li> </ul>	<ul style="list-style-type: none"> <li>➤ Understanding differences in perception of trust, e.g. high for Finns</li> <li>➤ Being open to different attitudes on trust</li> </ul>	<ul style="list-style-type: none"> <li>➤ Being able to change spoken language according to person</li> <li>➤ Finding the message behind words</li> </ul>
<b>CQ's influence</b>	<i>Metacognitive &amp; cognitive factor</i> <ul style="list-style-type: none"> <li>➤ Not reacting immediately, even if situations feels negative</li> <li>➤ Understanding reasons behind miscommunications</li> </ul>	<i>Metacognitive &amp; cognitive factor</i> <ul style="list-style-type: none"> <li>➤ Reviewing own perception on trust</li> <li>➤ Building a framework on cultural trust allows trust formations to be quicker</li> </ul>	<i>Metacognitive &amp; cognitive factor</i> <ul style="list-style-type: none"> <li>➤ Recognising cultural differences in communication</li> <li>➤ Being aware of own cultural communication</li> </ul>



	<p><i>Motivational factor</i></p> <ul style="list-style-type: none"> <li>➤ Adapting to differences</li> <li>➤ Seeing people as individuals reduces us vs. them thinking</li> </ul> <p><i>Behavioural factor</i></p> <ul style="list-style-type: none"> <li>➤ Collaborating as a team, not focusing on differences</li> <li>➤ Applying previous cultural information to new situations, in which conflict is likely</li> </ul>	<p><i>Motivational factor</i></p> <ul style="list-style-type: none"> <li>➤ Managing expectations</li> </ul> <p><i>Behavioural factor</i></p> <ul style="list-style-type: none"> <li>➤ Adapting to differences in trust perception</li> </ul>	<p><i>Motivational factor</i></p> <ul style="list-style-type: none"> <li>➤ Self-enhancement (effective communication)</li> <li>➤ Categorising received information</li> </ul> <p><i>Behavioural factor</i></p> <ul style="list-style-type: none"> <li>➤ Applying knowledge from cultural differences in knowledge share</li> <li>➤ Adjusting own communication, both explicit and implicit</li> </ul>
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**Table 3.** Summary of data findings

One commonality, in which cultural intelligence surfaced on respondents, was being aware of the differences in people and not immediately reacting negatively towards odd behaviour. All of the interviewees had high average in cultural intelligence, and they were reluctant to directly use the word conflict. It can be argued that high cultural intelligence influenced the respondents' perception, in a way that the negative situation was made into something less severe and easier to handle. In addition, the role of cultural experiences was also evident in conflict perception and resolution. When respondents faced similar situations repeatedly they were able to understand the behaviour better, without reading it as direct conflict. The contradiction in successful multicultural team behaviour is that: repetitive cultural behaviour should be recognised and applied across different individuals, yet not overly generalising certain behaviour, but observing situations as unique. Not understanding people's cultural behaviour will ultimately lead to conflict (Schreiber, 1996). People who possess appropriate amount of cultural intelligence can navigate even in entirely new cultural situations without stereotyping people (Brislin et al., 2006). Based on the discussion in chapter seven it is proposed that *hypotheses 1 and 2* are supported.

*"I'd say that the cultural intelligence helps me understand why that kind of conflict happened. That intelligence could help me also resolve this problem."* R2

*“It (CQ) does affect greatly. You can realise why people act and communicate a certain way; hierarchy, economic and political uncertainty affects them. You understand the behaviour, and don’t necessarily see it immediately as conflict.” R6*

As for trust, the influence of CQ and CE was also evident from the data. Managing own expectations assist in trust formation. Findings conclude that respondents were able to learn about new ways of trust perception and apply them when interacting with team members. Moreover, they were aware of the differences and did not expect all to handle trust the same way, but accepted the differences and managed to adjust to them. Cheng et al. (2013) and Mockaitis et al. (2009) support the fact that managing expectation is a key factor in successful trust formation. In addition, being aware of own views of trust and being able to adjust them, makes it easier to navigate in multicultural teams (Earley & Ang, 2003; Moon, 2013.) Based on the discussion in chapter seven, it is proposed that *hypotheses 3 and 4* are supported.

*“Getting experience, I think trust grows that way. If you don’t know the other persons way of working or their culture and how it affects it, then you might not automatically trust what they say they’re going to do. But the more you get to know the person and their way of working, their culture and how that is similar to the other people of the same culture you’re working with. Then you can just apply more trust to new people you meet of the same culture.” R4*

*“It is important to understand how they perceive certain things. –If you consider the cultural aspects of trust, I would blindly trust a Finnish person.” R5*

The influence of CE and CQ in conflict and trust aspects could be concluded from the data findings, as the discussion and direct questions on the two aspects support the results. In addition the literature is in line with the data findings, as the issues which emerged from the two topics are the ones covered in the theory part of the thesis. However, for knowledge share the findings were not as clear. Cultural experiences and cultural intelligences influence on knowledge share is mainly on how knowledge is shared and received, but not the process as a whole. CE benefits the respondents positively in knowledge share when they applied the skills to new people of the same culture. Whereas CE influences mainly the interactions between people from the same culture, CQ makes it possible to use the

information across various cultures. The data suggests that *hypothesis 5 and 6* are only partly supported, to the extent of CE and CQ positively effecting **how** the knowledge is shared and received.

Mayer et al., (2004) note that critical self-awareness can benefit in effective knowledge share. As discussed in this main chapter, the self-awareness and self-enhancement aspects were lacking in the respondents. This can be one reason, why knowledge share was not as successful as it could be. Also, reflecting on MacNab's (2012) training model, respondents did not state that they were actively improving knowledge share as a team. Even though, those with high KS structure in place were more successful in knowledge share, than those without one, still had the same issues in sharing.

*"Knowledge share varies between nationalities; they have different habits of doing it. –It (CQ) does influence the knowledge sharing in the sense that information needs to be always shared in a specific way."* R1

*"Definitely I think it does influence. Your CQ helps you to open up more to people, you really need to be able to open up and communicate in a way that is right for everybody. The best way to share knowledge is through higher level of interactions, so direct communication. When you do that it becomes easier if you understand the person's culture and how to speak to them. Then you can find the right words, right way to get your point across."* R4

*"CQ might not affect to the hand in information part but to the using it part."* R3

Literature in chapters two and five suggested that there is a connection between the three aspects of conflict, trust and knowledge share. This conclusion is also proposed in figure four. The connection of the aspects emerged also from the data. Those who had more conflict issues also stated that building trust with certain team members took more time. Same goes for knowledge sharing; if team lacked trust then the level of KS was not very high. Though the connection of the aspects discovered in the literature was supported by the empirical findings, the implications were still subtle. It is possible that the perception of one aspect was highly influenced by the others, but respondents were unable to recognise it.

*“When cultural intelligence affects the trust, then the trust will definitely affect people’s behaviour on the knowledge sharing. “ R3*

*“For some nationalities it takes time for the knowledge share to be effective in certain aspects of the work. They are open, but you can’t be sure if they’re telling everything, so it demands trust first.”R1*

Reflecting the direct statements and the empirical data as a whole, the research question and primary objective could be answered in the following way:

CQ and CE influence the behaviour in multicultural teams, **mainly in a positive way**. Conflict and trust are more influenced by the factors than knowledge share. Cultural intelligence has four levels, which are uniquely constructed by each person, thus the influence of CQ is individual. The three aspects (conflict, trust & KS) are interconnected; therefore the experience of one can affect the perception of the other.

## 8. CONCLUSION

### *Theoretical contributions*

The findings from the empirical data support the hypotheses, and show that cultural intelligence and cultural experience do influence the three aspects in multicultural teams in a positive way. For conflict aspect the influence is most evident and interviewees were able to recognise this aspect the best, and reflect how CQ and CE influenced those situations. For trust perception it is also fairly evident that the connection is positive. Knowledge sharing aspect is ambiguous and data shows that CQ and CE had the least effect on it. The interesting finding on knowledge share however, was that CQ and CE influenced how the message was given and received. Even if knowledge share is not influenced as a whole, the factors still added positive impact on it.

The thesis study also contributed in understanding the possible outcomes of cultural intelligence better. The behaviour influenced by cultural intelligence is the result of the four factors being successful in at least one of the aspects. If for example individuals do not possess any CQ in metacognitive aspect, it is very difficult to develop it in the motivational or behavioural parts. Unexpected finding was that all of the interviewees had high cultural intelligence average, and there was no variance. This conclusion is made based on the numeric questionnaire and the discussions which supported the result. Even though respondents work experience varied between two decades to two years, they showed similar views in the discussions. This is a surprising result, and reasons for it can be manifold, however it is possible that the international education, which many of the respondents have, assisted the CQ formation.

This thesis studied the cultural intelligence and cultural experiences first separately and then together. Studying cultural experience on its own has a benefit in the planning of CQ development. As the study showed cultural experience and –intelligence are interconnected, thus understanding them separately gives a broader understanding of CQ accumulation. Existing literature has mainly researched cultural intelligence influence on for example expatriates, and less research on multicultural teams. Therefore this study is valuable in understanding the role of CQ and CE in efficient and high function multicultural teams.

### *Limitations*

Since the study was done as a Master's thesis the data sample was quite small. In order to create a more comprehensive framework of the topic, the collected data should have been larger. Though the data analysis showed saturation, when having only ten interviews there is always a risk that some pattern in the data is left undiscovered. As the interviews were conducted only in Finland, the circumstances affected the data. This was evident from the responses given about trust; many interviewees reviewed the matter from the viewpoint of Finnish culture. Cultures influence is so extensive that individual's perspective on issues is considered not only through their own culture, but also from the culture they are currently living in (Earley et al., 2004; Ang et al., 2007). So even though there was a large variety in the nationalities, the results of the discussions were still largely influenced by Finnish culture.

As the sampling was ten interviews, there could have been more room for diversity in the respondents. The age distribution between people was quite similar, which could have effected how the questions about own team or company were viewed. Young employees might view their place in the team differently than someone who has worked in it for much longer. To have a more comprehensive understanding on whether age and time in the team affects the answers, bigger sample would have been needed. The interviewees were quite homogenous also when considering their study and/or work background. This evidenced in the data as there were no variance in the results. All respondents showed a relatively high average of CQ, which naturally influenced how the data was studied, and the conclusions made from it. To have a more extensive data, people who had low work experience and no international education, could have been interviewed.

Although having two types of data helped to assure the validity of the study, in future research more comprehensive quantitative questionnaire would benefit the results. The questionnaire entailed only nine questions, and because CQ is constructed by four factors, more extensive questionnaire would benefit the findings, such as Ang and Van Dyne's (2008) model.

When analysing numeric data, margin of error is normally calculated for the sample. As the sample was so small in this study, margin of error was not calculated. Furthermore, the way

respondent answer the numeric questions can influence the outcome. Thus the quantitative data in this case is not absolute either.

As there was no variance, all of the interviewees showed relatively high cultural intelligence. Due to this the discussion in chapter seven is based on the conclusion that the high cultural intelligence was the reason for the findings. It is assumed that the positive responses on conflict, trust and knowledge share were due to the CQ of an individual. Nonetheless there can be other reasons for the seemingly positive influence, which this thesis did not take into consideration. Personality differences can influence how matters are perceived, and moreover cultural differences also influence the perception. So even though the data supported the hypotheses, the findings were reviewed only from a specific point of view.

### *Managerial implications*

The study presented some important implications for companies and educational organisations. As the thesis study implied, having international education also effects how the multicultural situations are experienced. The data suggested that even though some had worked in their current team only for a limited amount of time, their cultural intelligence was quite high. When comparing individuals who had international education with interviewees who had worked for several decades, their answers and discussion in many parts of the study was similar. This is an important finding considering that it affects Universities for example in business studies. More international programmes in business studies could benefit the students to begin developing their cultural intelligence early on. This would then assist companies in their employee recruitment process, when recognising individuals who could be suitable for multicultural tasks.

Multinational companies have a growing need for employees who possess multicultural skills. The demand for these types of individuals is often to find candidates for expatriate positions. Employees who are sent overseas are generally longtime employees or ones with much work experience. (Ng, et al., 2009; Lane, et al., 2009:11.) If education builds cultural intelligence effectively, young employees could be 'trusted' with expatriate positions more early on. As one of the common reasons why expatriate endeavors tend to fail are the difficulties in cross-cultural situations and long adjustment periods (Goodman, 2012). Individuals with high CQ can adjust to an unfamiliar situation quickly, by applying the

information from previous cultural experiences. Therefore this thesis study benefits the companies as well.

### *Further research*

The researched topic is quite current in today's business life, and therefore further studies on the subject are relevant. As scholars have shown, cultural intelligence is partly constructed by cultural experiences; however the two aspects are also separate from each other. Further research topics could be identifying more in detail how cultural intelligence is constructed. This would be to identify the role that cultural experiences hold in the formulation of CQ. This point is important because it should be identified can CQ in fact be constructed without any cultural experiences. If this is possible, it should be researched how high the CQ level can become without having any cultural experiences. Also one other valid topic for further research, is understanding why in some cases cultural experiences do not translate into cultural intelligence.

The literature covered in this thesis on the topic discusses the fact that cultural experiences sometimes stays as scattered actions and do not add something to CQ formulation. The reasons for this however have not been extensively studied. Also the empirical findings showed that in some cases individuals behave in a way that demonstrates high cultural intelligence; however the actions can be subconscious. Recognising how the self-awareness could be enhanced would benefit in the CQ formation and development. This thesis was able to discuss and to some extent identify the connection between cultural experiences and cultural intelligence and how having high amount of cross-cultural interactions can enhance CQ more quickly. As CQ emergence can be sub-conscious, it would be valuable for further research to take on another approach for the study. For example observing the teams, in addition to interviews could minimise the respondents influence on the results. Ang and Van Dyne (2008) have a CQ measurement model which allows a third party to reflect the level of CQ. Having this approach in research in addition to self-evaluation, would benefit the validity of the findings.

The thesis study reviewed the multicultural teams through three aspects; conflict, trust and knowledge share. The three were ones of the most commonly mentioned in multicultural team research. However, they only represent a small sample of the bigger picture and other



aspects were not taken into consideration in the thesis study. It is possible that there are other issues which have greater effect in multicultural teams. These matters might be ones that showcase the role of cultural intelligence and cultural experience in a clearer or different way, from what was studied in this thesis. Hence the research on how CQ and CE influence multicultural team should cover more aspects of the team interactions and complications. Nevertheless, it should be considered how extensive each aspect is on its own, so specific studies on the matters would be also beneficial. As the thesis study contemplated the three aspects together, each of them had restricted coverage. Thus conducting studies which focus on one could produce clearer framework of the matter.

The data did not show any variance, as the respondents were somewhat homogenous due to their background work and studies. Further research should take this into consideration and include people who do not possess any multicultural experience. One approach is to include interviews from new employees who work in multicultural teams, who have neither international education nor international experiences. In addition, studying teams as a whole could indicate the differences of cultural intelligence more clearly, as people within the same team normally have the same issues of conflict, trust and knowledge share. McNab's (2012) model could be the basis for the research model, if a team is studied as a whole. The model proposes that teams can benefit more in enhancing their CQ skills together. As team members often face the same issues, this approach would be beneficial in creating a broader framework around multicultural team behaviour and cultural intelligence.

Finding people who work in multicultural teams, and do not have any international background can be difficult to find. Therefore other research model proposed is to interview students. As Universities often have aspects of group work, the multicultural team context could be applied to students as well. In addition, it could be easier to find both people who have cultural experiences and possibly cultural intelligence and those who do not. If the study would prove to be successful, business schools could apply it to their curriculum, in which case the students could have valuable skills for work life.

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## APPENDIX

### Attachment 1. Interview guide

#### INTERVIEW GUIDE

##### Questions for interviews

##### Theme 1. Background information (answered via email)

1. Nationality
2. What is your highest educational degree?
  - a. language of education
  - b. country where the degree was completed
3. Company/organization that you are working for?
4. Shortly tell how long have you worked for the company and what is your position?
  - a. What is the main language used at work?
  - b. Is it your mother tongue?
  - c. **If not** how would you describe your language skills?

##### Theme 2. Multicultural teams

5. Do you work in a team and how much of your daily work is conducted in a team setting?
  - a. How many nationalities are present in your team?
  - b. What nationalities?
6. Before working with them had you interacted with people from those nationalities?
  - a. Have you had any experience in multicultural team work before?
  - b. Did you want to work in a multicultural team?

##### Theme 3. Conflict

7. Is there any behaviour within the team members that you find difficult to understand?
  - a. **Probe:** What kind of behaviour and why is it difficult?
8. Have you had any conflict issues between team members?
  - a. **Probe:** Why? (e.g. due to miscommunications)

9. In your opinion, do your team members handle work matters differently (e.g. deadlines, decision making, interacting with hierarchy)

#### Theme 4. Trust

10. How would you describe the trust between you and your team members?
11. How hard or easy is it for you to trust your team members?
- a. **Probe:** Is the level of trust the same across all team members?

#### Theme 5. Knowledge share

➤ Definition: Process of exchanging information, skills, views or expertise, within an organization, team or community.

12. How would you describe the knowledge sharing between you and your team members?
13. How much do you share knowledge to your team?
- a. **Probe:** How do you recognise which knowledge is the key?

#### Theme 6. Cultural experience

Have you lived abroad? → Give the CE questionnaire to fill out.

(If not any- ask about travels abroad, e.g. holidays, short work trips)

14. Why did you go abroad?
- a. Did you learn something that you think is beneficial for your current work?
15. Are your family members', friends or partner from different nationality?
- a. *If friends: How often do you interact with them?*

#### Theme 7. Cultural intelligence

16. Would you say that you behave in a way that is typical for your culture?
- a. **Probe:** What kind of behaviour?
- b. How do you recognise it to be culturally typical?
17. Are you more or less comfortable in situations where the people are not the same nationality as you?

18. In your opinion are you open to new views and thoughts?
  - a. How willing are you to change your opinions or values?
19. How well do you adapt to culturally diverse situations?
  - a. **Probe:** With what kind of actions?
20. If you meet someone from a new culture, do you think about the interaction afterwards?
21. If a person from another culture behaves in a way that you don't understand, do you ever ask about their behaviour?

➤ **Have the interviewee fill out the CQ scale questionnaire.**

**Tell the definition of cultural intelligence.**

- Cultural intelligence is an ability to behave effectively in an unfamiliar cultural context, to be able to interpret others seemingly different actions and mirror own behaviour to match it.

Final questions:

22. In your opinion does your cultural intelligence influence how you perceive:
  - a. The conflict situations in your team?
  - b. Trust within the team?
  - c. Knowledge sharing within the team?

**Conclude by asking if there is anything they wish to add, and thank them for the interview.**

**Attachment 2. CQ scale questionnaire**

Name:

Date:

Nationality:

Age:

Gender:      Female ☐      Male ☐

Please indicate the extent to which you agree with each of the following statements, on a scale of 1-5.

**1 (strongly disagree) – 5 (strongly agree)**

- |   |   |   |   |   |   |
|---|---|---|---|---|---|
| 1. I enjoy interacting with people from different cultures.   | 1 | 2 | 3 | 4 | 5 |
| 2. I am sure I can deal with the stresses of adjusting to a culture that is new to me.                              | 1 | 2 | 3 | 4 | 5 |
| 3. I know the cultural values and religious beliefs of other cultures.  | 1 | 2 | 3 | 4 | 5 |
| 4. I know the legal and economic systems of other cultures.   | 1 | 2 | 3 | 4 | 5 |
| 5. I know the rules (e.g., vocabulary, grammar) of other languages.   | 1 | 2 | 3 | 4 | 5 |
| 6. I am conscious of the cultural knowledge I use when interacting with people with different cultural backgrounds. | 1 | 2 | 3 | 4 | 5 |
| 7. I check the accuracy of my cultural knowledge as I interact with people from different cultures.                 | 1 | 2 | 3 | 4 | 5 |
| 8. I change my verbal behaviour (e.g., accent, tone) when a cross-cultural interaction requires it.                 | 1 | 2 | 3 | 4 | 5 |
| 9. I change my non-verbal behaviour when a cross-cultural situation requires it.                                    | 1 | 2 | 3 | 4 | 5 |

Thank you for your answers!

**Attachment 3.** Breakdown of quantitative data

Interview nro.	Nro. 1	Nro. 2	Nro. 3	Nro. 4	Nro. 5	Nro. 6	Nro. 7	Nro. 8	Nro. 9	Nro. 10	Average on each question
Question 1	5	5	5	5	5	4	5	5	5	5	4,9
Question 2	5	5	5	5	5	4	5	4	5	4	4,7
Question 3	3	5	3	4	4	4	3	5	4	4	3,9
Question 4	4	3	3	3	4	4	3	2	3	4	3,3
Question 5	3	4	3	2	2	3	3	2	4	2	2,8
Question 6	4	4	4	4	3	4	4	5	4	4	4
Question 7	3	3	3	4	3	2	5	5	5	5	3,8
Question 8	4	5	2	5	5	4	4	2	3	5	3,9
Question 9	4	5	3	4	5	2	5	2	3	4	3,7
Average	3,9	4,3	3,4	4	4	3,4	4,1	3,6	4	4,1	